

PART II

ECONOMIC DIFFICULTIES IN TIME  
OF WAR

## CHAPTER I

### IN RUSSIA

IN order to understand the economic and social consequences which would follow a war in which Russia was engaged, it is necessary to consider the degree of well-being of the population, and the amount of its income ; and to explain how war will shorten the demand for certain products and increase the demand for others ; lessen the exports, and deprive a considerable portion of the population of their means of livelihood. In considering "Plans of Military Operations" in a struggle between the two great continental alliances we attempted to make some comparison of the endurability of the states engaged against the destructive influences of war. The conclusions which sprang from a general consideration of military plans were in accord with the following proposition of General Brialmont, that "the state to which war is least dangerous is Russia, guaranteed as she is by the immensity of her territories, the character of her soil and climate, and still more, by the social condition of her people, occupied for the greater part by agriculture." Rich in men, in horses, and in food, having many industrial and trading centres, accustomed for a century to the circulation of paper money, Russia is in a state to keep up a defensive war for some years, which the Western and Southern powers, standing on a high degree of culture, but producing insufficient food for their populations, could not do. These rather would be threatened with ruin and even disintegration. The strategical superiority of Russia lies in the fact that the occupation by an enemy of all her frontier terri-

tories would not produce a decisive result. Even the taking of both her capitals, and the defeat of all her ready forces, would not deprive her of the means of resistance, whereas any Western state in such circumstances would be decisively crushed. Such are the general conclusions to which a consideration of the plans of attack on Russia, formulated by foreign authorities, have led.

But in considering the effect of war on the condition of the people in Russia, we are compelled to glance more closely than will be necessary in the case of other states, if only for the reason that the enormous extent of Russia, and the immense reserve of men for the formation of new armies—that is, the two unquestioned elements of Russian superiority—are likely to inspire far too optimistic hopes. In the opinion of foreigners, military specialists in Russia in this respect are liable to exaggeration, forgetting that in Russia as elsewhere war would be felt intensely, and, in certain respects, even more disastrously, on the finances and on the general economic condition of the country.

It would be a mistake to think that these exaggerated views are current in all military circles in Russia. But it must be admitted that the very strength of Russia, her richness in territory and in men, affords a basis to certain minds for very natural exaggeration. That such exaggerations have their dangerous side is unquestioned by every impartial student of history, from which we learn that exaggeration has led, if not directly to military enterprises, at least to more decisive actions which easily awaken the dangers of war.

Unfortunately, the difficulty of a detailed investigation of the present condition of Russia and the future consequences which a war would entail for her, is very great, owing to the absence of those exhaustive statistics which are everywhere available in Western Europe, in America, and especially in England. In Russia the compiling of statistics began only in the reign of Nicholas I. But that reign, based solely on military-bureaucratic principles, did not look with favourable eyes on the publication of official statistics. Co-operation or advice from the side of society in

general was not only not looked for, but not even admitted, and the need for communicating to the public statistics on which judgment might be based was consequently ignored. Figures were a secret of state, concealed sometimes even from the Council of State itself. It was only in later years that statistics became available to the student.

I.—FALL IN THE FUNDS AND INFLUENCE OF WAR ON  
THE FINANCES.

In order to determine the economic durability of Russia against the influences of war, we are compelled to consider two contingencies, that is, a war carried on with the aim of invasion of an enemy's territory, and a war carried on with the object of repulsing attack, and, in the latter case also, to consider what forces Russia would dispose of if, after the repulse of the attack, she decided to undertake a counter-invasion of the territories of the enemy. First of all, of course, it is necessary to consider the perturbations which must be produced immediately after the declaration of war. Whatever might be the causes of war, it may be assumed, that mobilisation would be accepted as something inevitable, and the possibilities of difficulty which might arise in Western states if war were declared in defiance of popular feeling, in Russia need not be considered.

The immense majority of the soldiers mobilised will consist of peasant-agriculturists, men of simple minds, uninterested in political questions. The educated soldiers will be mainly officers, who will also, without question, obey orders, and easily assimilate official declarations as to the unavailability of war. The number of soldiers taken from trade and industry in Russia will be comparatively small. But it is unquestioned that among the Russian soldiers belonging to this category, perturbations may be called forth even more serious than those which will arise in Western states. The systems of agriculture, industry, and of trade in Russia are less elaborate than in Western countries. Owing to the absence of educational institutions the knowledge and *morale* in

trade and industry are low ; the women of Russia, whom, of course, mobilisation will not directly affect, are little engaged in business ; and therefore it will be more difficult to replace the directing forces summoned under the flag than it would be in the West.

Of the difficulty of satisfying demands for money for the mobilisation of the army we have already spoken. Here it is only necessary, in view of the possible occupation by an enemy of Russian territory, to set out the distribution of the revenue, &c., over the different parts of the Empire—in one word, to present a financial physiological picture of Russia in the present day.

It needs no evidence to show that the perturbations which a future war will cause in the sphere of finance will be incomparably more serious than those caused by the war of 1877. The finances of Russia are distinguished by the fact that even in times of peace the course of Government securities and paper money is most variable. In a memorandum presented to the Emperor Alexander III. in 1882, M. N. H. Bunge thus defined the causes of these fluctuations (in addition to the main reason—unlimited issue). (1) The internal political position of the State, the danger of risings, anarchy, the absence of settled political programmes. (2) The internal economic condition of the country, famines, crises in industrial, commercial, and banking circles, caused by dishonesty, speculation, and failures, and so forth. (3) The general financial position, disproportion between revenue and expenditure, financial extravagance, deficits, and so forth. Independently of these internal elements are others—for instance, the danger that the state may be drawn into a great European war, and the risk of military failure.

Such is a judgment formulated in 1882. Since then fifteen years have passed, and in that period the position has improved in many ways, but not enough to guarantee, in the event of war, that the description quoted above would not again apply in full force.

We have seen that in 1870 the Prussian state and municipal loans were depreciated 25 per cent., and

banking, industrial, and railway shares 35 per cent. In 1877 the value of the Russian credit rouble (100 kopecks) fell to 56½ kopecks metal.

Thanks to the arrangements of the present Ministry of Finances, statistics are yearly printed as to the value of the Government securities and the manner in which they are distributed. From these statistics it appears that on January 1, 1896, there existed of such securities:

Metallic	.	.	2249 millions of roubles*	(£337,350,000)
Credit	.	.	3330       "       "	(£449,500,000)
			<hr/>	<hr/>
In all	.	.	5579       "       "	(£786,850,000)

Of these in cash, in treasuries, and in banking institutions the amount of such securities was:

Metallic	.	.	210 millions of roubles	(£31,500,000)
Credit	.	.	2293       "       "	(£343,950,000)

Thus it appears that there were in circulation, partly among private individuals in Russia, but for the greater part abroad:

Metallic Loans	.	2039 millions of roubles	(£305,850,000)
Credit Loans	.	1037       "       "	(£155,550,000)

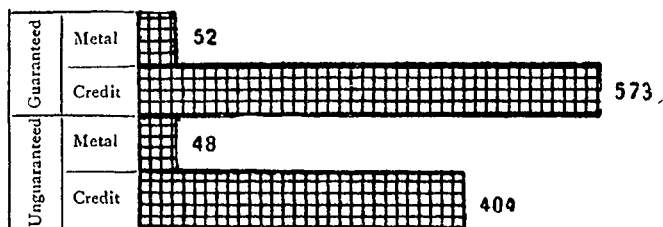
Now if we take the depreciation in time of war of securities guaranteed by the Government at 25 per cent., and of other securities at 35 per cent., which depreciation has already been experienced in the wars of 1870 and 1877, the immense economic perturbation which would be caused by war will be at once made plain. A depreciation of 25 per cent. of the nominal value of Government securities would amount to 52,000,000 of metallic and 573,000,000 credit roubles (£7,800,000 and £85,950,000); a depreciation of 35 per cent. on the nominal value of securities unguaranteed by the Government would amount to 48,000,000 metallic roubles, and 404,000,000 credit roubles (£7,200,000 and £60,600,000). Thus war would

\* The rouble is taken as equivalent to its face value of 3s.

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at once cause a depreciation of securities held within the country of 1,100,000,000 roubles (£165,000,000).

*Depreciation of Securities circulating in Russia at the Outbreak of War in Millions of Roubles.*



All this leads to the conclusion that in the beginning of war there cannot even be thought of the issue of new loans, and therefore war can only be carried on by the immense issue of credit notes, the unavoidable consequence of which will be to shake to its foundations the financial condition of the country.

The position in which Russia found herself in the war of 1812-1815 is so different from modern conditions that to draw practical lessons from the experiences of that time is impossible. The extraordinary outlays caused by the Crimean war amounted to about  $1\frac{1}{2}$  milliard of roubles (£225,000,000), which led to an immense increase of indebtedness and to a fall in the value of the credit rouble, although war was carried on only at one extremity of the country, and the whole of the western frontier remained open to trade.

In the Turkish war of 1877-78 the extraordinary outlay amounted to

In 1876	.	.	50,998,114 roubles	(£7,649,717 2s.)
" 1877	.	.	429,328,089 "	(£64,399,213 7s.)
" 1878	.	.	408,142,970 "	(£61,221,445 10s.)
" 1879	.	.	132,100,316 "	(£19,815,047 8s.)
" 1880	.	.	54,818,163 "	(£8,222,724 9s.)
Total	.	.	1,075,396,652 "	(£161,308,167 16s.)

What may be expected from a future war? First of all it must be noted that the new military organisation of Russia, founded on conscription and short service, not only has not diminished, but on the contrary has increased the ordinary military expenditure. The expenditure of the Ministry of War in the course of the twenty years period, 1875 to 1894, increased from 175,000,000 roubles (£26,250,000) to 239,000,000 roubles (£35,850,000). The cause of this increase lies partly in the increased number of the army, and partly in the better treatment of the soldiers, as is seen from the following figures indicating the cost of maintenance of a single soldier :

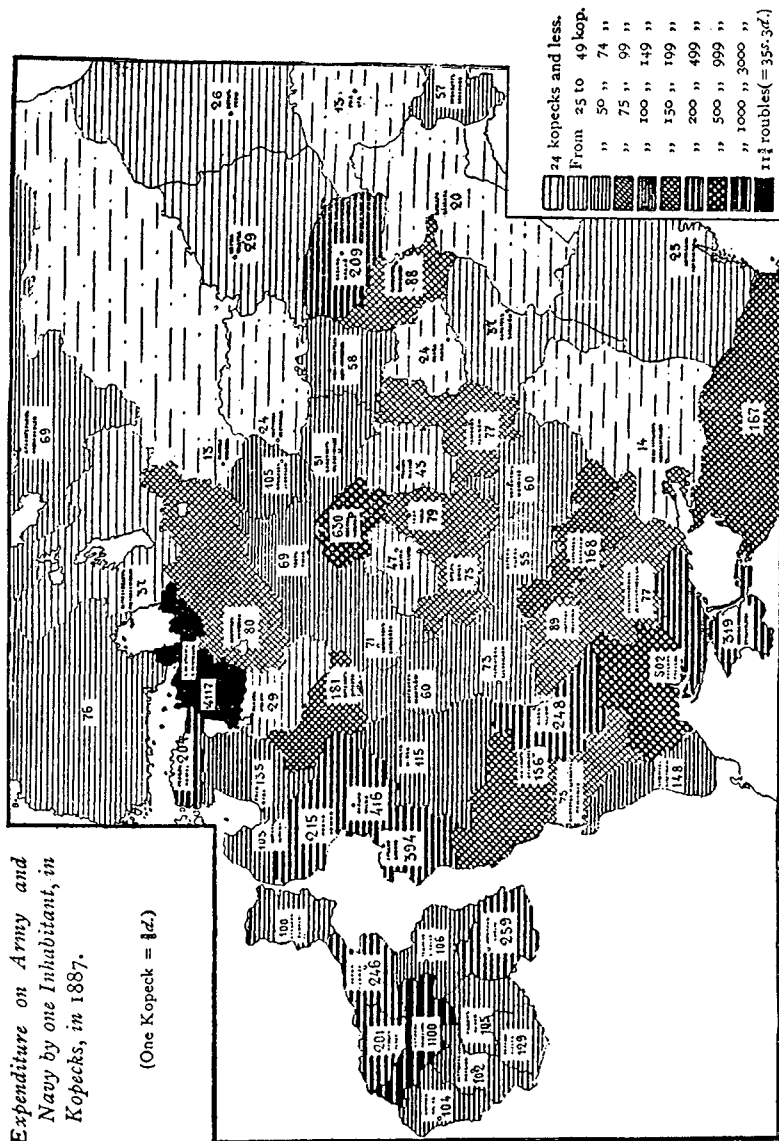
1874	.	.	.	.	225 roubles (£33 15s.)
1884	.	.	.	.	175 " (£26 5s.)
1891	.	.	.	.	244 " (£36 12s.)
1896	.	.	.	.	376 " (£56 8s.)

Of the proportion of expenditure by one inhabitant on army and fleet, estimated according to geographical position, the chart on page 170 gives a clear idea. A glance at this chart will show that the satisfaction out of the ordinary revenues of the requirements of the budget in time of war will be all the more difficult since the revenue will be diminished, while the expenditure on popular needs is so small that its diminution in time of war will be almost impossible.

Russia, with a mobilised army of 2,800,000 men, will daily need for their maintenance and equipment 7,000,000 roubles (£1,050,000). In addition to this, considerable sums will be needed for the maintenance of families of soldiers on service. The greater the number of married soldiers the greater will be the need for aid. But, as is hereafter shown, the number of married persons and children in proportion to the general population is greater in Russia than elsewhere, from which it appears that the expenditure in this respect must be greater.

It is true that Russia will find an advantage in the fact that the proportion of soldiers withdrawn from industry is insignificant when compared with the proportion in other countries, for in Russia about 86 per cent. of the number





summoned to the colours will belong to the agricultural class. This circumstance is particularly favourable for Russia, as the agriculturist will leave behind him members of his family who can continue his labour, and such families will not be threatened by a complete cessation of work. But on the other hand, the Russian agricultural population, which even in times of peace lives in extreme poverty, will soon exhaust its resources, and the Government will be compelled to come to its aid. By exhaustive examination of the comparative degrees of well-being of the persons engaged in different occupations, it would be shown that Government will be compelled to assist the families of not less than one quarter of the soldiers engaged in agriculture, of less than half of the small traders and clerks, and of 10 per cent. of the free professions. Detailed calculations show that these number 531,000 families in all. All of which shows that the expenditure in time of war will be immense and immediate, while to cover it by new taxation or by the increase of old taxes will be impossible. Popular savings, which might be taken advantage of for loans, are in Russia extremely small, and it is very probable that in order to cover the ordinary expenditure in time of war, not to speak of extraordinary expenditure, the chief resource must inevitably be the issue of credit notes. In the time of the wars of 1812, 1857 and 1877, although financial crises occurred owing to the increased issue of assignat and credit notes, these crises were not of such a nature as to influence the continuance of military operations. In all probability a future war will resemble the past in this respect.

During the last war with Turkey the value of the rouble credit note was depreciated to  $55\frac{1}{2}$  kopecks, and that this depreciation was not greater must be ascribed to exceptionally favourable circumstances. On the one hand, Russia possessed a large reserve of corn, and on the other, in consequence of scarcity abroad, the prices of corn, the chief article of export from Russia, and many other articles of food, rose considerably, thus increasing the export of Russian products.

In the second chapter of this work we attempted to show the advantages which a defensive war promised to Russia, a defence which, after exhaustion and disorganisation of the enemy's resources, might transform itself into attack. But in the economic relation such a war would have the disadvantage that the country would be compelled to support the armies of the invader in addition to its own. We showed that it is impossible to avoid the conclusion that a defensive war would result in victory for Russia. But this cannot alter the fact that the sacrifices which the people must sustain would be incalculably great.

In order to be persuaded of this, it is not enough to consider only those perturbations the immediate consequence of war, but to examine also, although briefly, the economic and moral condition of the country.

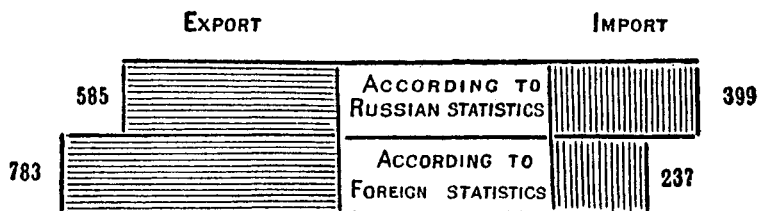
## II.—ECONOMIC UPHEAVAL IN CONSEQUENCE OF THE INTERRUPTION OF TRADE.

On the declaration of war, the external European trade of Russia will immediately cease. The losses which this will cause must be considered. The average Russian export and import for the six years 1889-94 are shown thus in millions of credit roubles :

	Russian Statistics.		Foreign Statistics.
Export	585 (£87,750,000)	...	783 (£117,450,000)
Import	399 (£59,850,000)	...	237 (£35,550,000)

Let us present this graphically :

*Average Export and Import, 1889-1894, in Millions of Credit Roubles.*



If these totals are distributed among the population we will find the following export and import for one inhabitant :

Years,	Roubles.		Per cent. relation of Export to Import.
	Export.	Import.	
1885-1893 . .	3.52 (10s. 6 $\frac{3}{4}$ d.)	2.31 (6s. 11d.)	1.52
1894-1895 . .	3.89 (11s. 8d)	2.87 (8s. 7 $\frac{1}{4}$ d.)	1.26

Of the four great groups under which the foreign trade of Russia may be classified, in export trade provisions predominate (57 per cent.), after which follow raw and half-dressed materials (37 $\frac{1}{4}$  per cent.), manufactures (3 $\frac{1}{4}$  per cent.), and animals (2 $\frac{1}{2}$  per cent.). In imports predominate raw and half-dressed materials (58 $\frac{1}{4}$  per cent.), after which follow manufactures (21 $\frac{1}{2}$  per cent.), provisions (20 per cent.), and animals ( $\frac{1}{2}$  per cent.).

In the number of Russian exported provisions the first place, of course, is taken by grain, the export of which, although with fluctuations, constantly increases, and in 1894 had risen to 640,000,000 poods\* (205,714,295 cwts.), or 5 $\frac{1}{2}$  poods (192 lbs.) per inhabitant. The following table illustrates with more detail the nature of this export :

—	Millions of Poods (English Equivalent in millions of lbs.)				
	Wheat.	Rye.	Oats.	Barley.	Maize.
1893-94 . .	200 (7200)	22.6 (803.6)	10.4 (374.4)	1.49 (536.4)	33 (1188)
1894-95 . .	224 (806.4)	82.7 (2977.2)	96 (3456)	109 (392.4)	24 (86.4)
1895-96 . .	201 (7,236)	—	56 (2016)	74 (266.4)	9 (32.4)

\* A pood is really equal to 36.1127 lbs., but for purposes of our equivalents we take it as equal to 36 lbs.

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We find that the average harvest of corn for the whole world, taking a twelve years period, was 3,294,000,000 poods (1,058,800,000 cwts.), while the harvest of

1893 was 3,427,000,000 poods (1,101,535,715 cwts.)

1894 „ 3,503,000,000 „ (1,126,000,000 „ )

1895 „ 3,385,000,000 „ (1,088,035,715 „ )

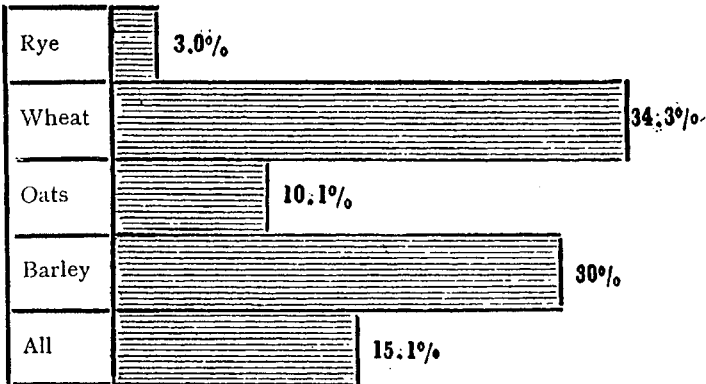
By investigations lately made it has been shown that in twelve years the yearly quantity of grain harvested in Russia increased by 150,000,000 poods (48,214,300 cwts.), and the area of sowing by 5 per cent., while the population in that period increased by 11 per cent. This may be expressed in another form: the yearly increase of demand in consequence of the growth of the population amounts to 40,000,000 poods (13,000,000 cwts.), ten years 400,000,000 poods (130,000,000 cwts.), while in that period the production of grain increased by 150,000,000 poods (48,214,300 cwts.).

But the export from Russia is composed only of that part of the harvest which remains free after the satisfaction of the minimum requirements of the population:

—	English Equivalent in Millions of lbs.		Percentage of Export to Average Harvest.
	Average Yearly Harvest in Millions of Poods, 1890-94.	Average Export.	
Rye . . .	1059 (38,124)	32 (1152)	3.0
Wheat . . .	455 (16,380)	156 (5616)	34.3
Oats . . .	552 (19,872)	56 (2016)	10.1
Barley . . .	286 (10,296)	111 (3996)	30.0
	2352 (84,672)	355 (12,780)	15.1

Let us present these figures graphically :

*Percentage of Export to Production in 1890-1894.*

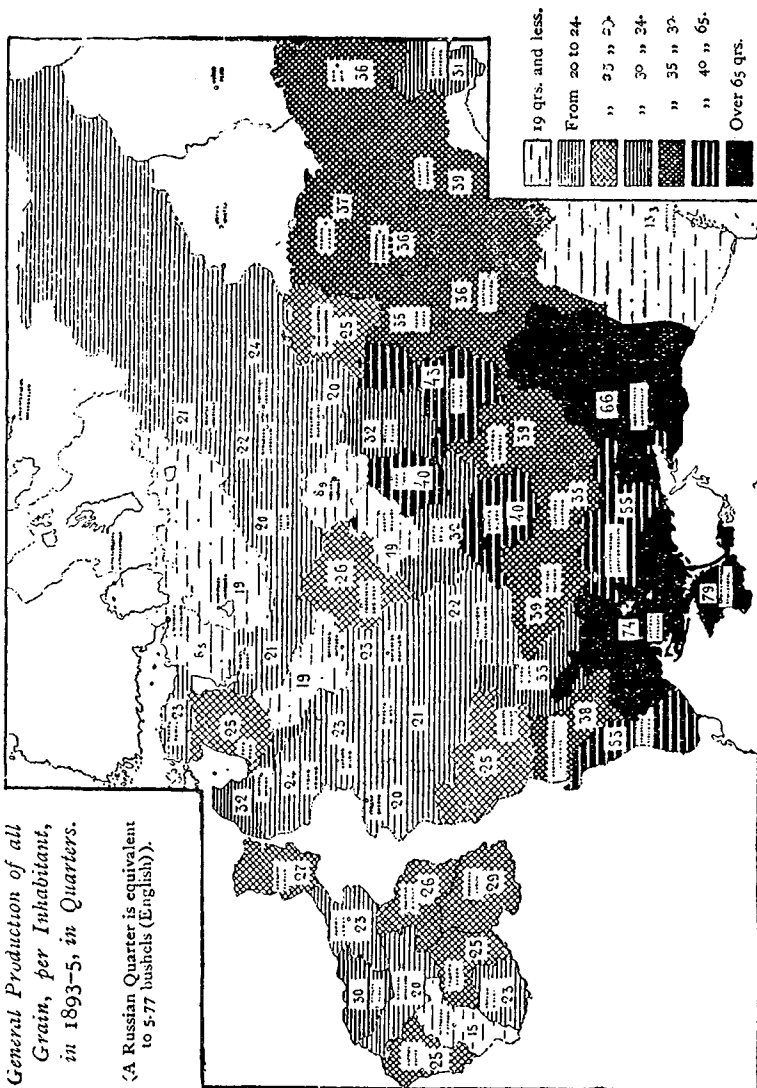


In the chart on page 176 we give some figures as to the production of all grains. But these figures give no sufficient material for determining the influence which war would produce on the trade in corn. This influence will depend upon in whose hands the superfluity of corn rests, whether in the hands of private proprietors or in the hands of the peasants. Among the immense majority of larger agriculturists the superfluity is very considerable, while the products of the peasants serve mainly to satisfy their own needs.

It is obvious that private proprietors may bear the strain better than the peasants. If the export of grain be only shortened the first will be able to dispose of their grain by such routes as remain open. But if the export of grain entirely cease and prices in the internal market considerably fall, certain landowners will sustain the crisis by means of their reserve of capital, while those whose estates are mortgaged would in case of war take advantage of the inevitable postponement of payments into bank, and in addition to that of the loans of the Imperial Bank. The peasants will have no auxiliary resources; and in the

*General Production of all  
Grain, per Inhabitant,  
in 1893-5, in Quarters.*

(A Russian Quarter is equivalent  
to 5.77 bushels (English)).



majority of cases the corn they raise is insufficient for their needs, for the payment of taxes, rent on leasehold land, the purchase of implements, salt, and clothing. The income of the peasantry arises partly from the sale of corn, and partly from auxiliary work, of which some—for instance, temporary work in factories—in time of war, must undergo diminution. This last circumstance will react in terrible form on the condition of the country population.

With the cessation of export, too, the demand for corn will decrease, with a consequent fall in prices, and diminution in the income both of landowners and peasants. Fluctuations in prices will arise, since the standard is determined by the export, which will be interrupted. Increased purchases for the army may to some extent compensate for the stoppage of export. But the supplying of the army with bread will be extremely difficult when the rolling-stock of the railways is occupied with the transport of troops and munitions of war.

The remaining articles of export from Russia mainly belong to the category of raw or half-dressed materials—seeds, flax, hemp, timber, bristles, wool; these products, together with grain, constitute 80 per cent. of the whole export. The cessation of the export of these goods will result in confusion similar to that caused by the cessation of the export of grain.

The imports of Russia are of a nature much more varied than the exports. Russia buys abroad not only finished products, such as machinery and metallic wares, but also raw materials, cotton, wool, silk, pig-iron, iron, steel, coal, and paper. But the most considerable part of her imports consists of tea, coffee, and colonial products, wine, and other drinks. In the "Review of the External Trade of Russia," exports and imports are classified in four groups: (1) provisions; (2) raw and half-worked materials; (3) animals; (4) manufactured articles.



	Export.		Import.	
	1891-94.	1895.	1891-94.	1895.
	%	%	%	%
Provisions . . . . .	57.08	56.90	19.70	18.40
Raw and half-worked materials . . . . .	37.24	37.70	58.32	54.40
Animals . . . . .	2.41	2.30	0.56	0.90
Manufactured articles	3.27	3.10	21.42	26.30

But such a classification gives no clear idea of the influences which would reveal themselves on the interruption of foreign trade. The following classification under provisions, clothing, agricultural implements, building materials, manufactured products, intellectual, various, gives a better idea :

*Imports into Russia in Millions of Roubles in 1889.*

Provisions . . . . .	56.6	(£8,490,000)
Clothing . . . . .	150.2	(£22,530,000)
Instruments of husbandry . . . . .	13.2	(£1,980,000)
Building materials . . . . .	72.1	(£10,815,000)
Manufactured products . . . . .	71.3	(£10,695,000)
Intellectual . . . . .	6.2	(£930,000)
Various . . . . .	1.9	(£285,000)

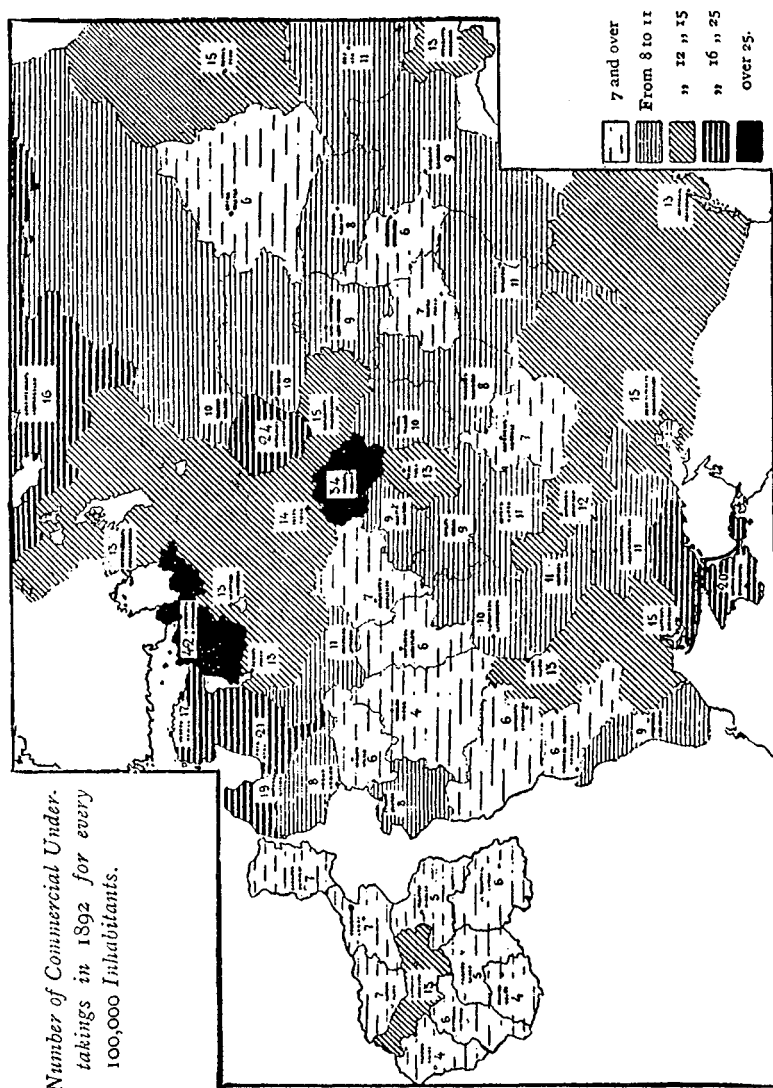
*Classification of Imports—Raw, Half-worked, and Manufactured.*

	RAW.	HALF-WORKED.	MANUFACTURED.
PROVISIONS	21.0		76.2
CLOTHING		62.1	23.9
AGRICULTURAL IMPLEMENTS	18.2		78.0
BUILDING		41.2	51.6
FACTORY		41.8	32.2
INTELLECTUAL	32.2		67.1
VARIOUS		63.2	36.8

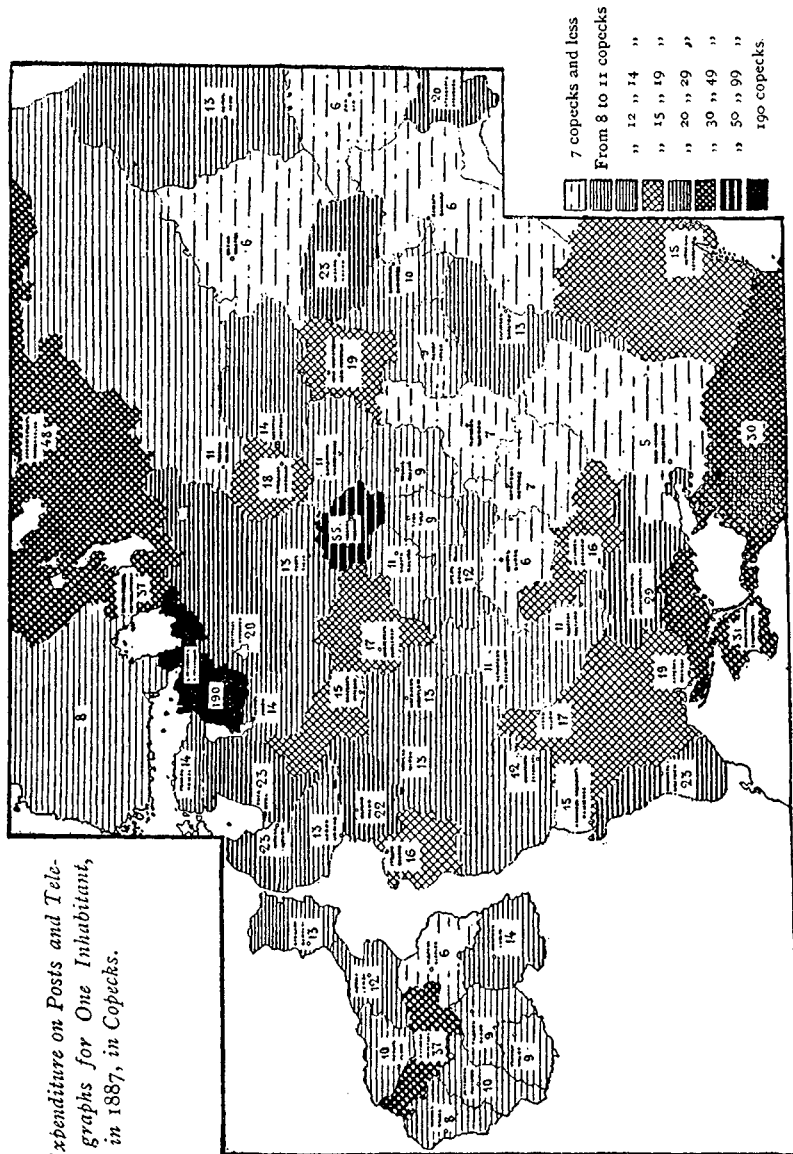
The first consequence of the interruption of external communications will be a considerable fall in the price of corn and other chief articles of export, and a rise in the price of articles of import, more particularly of those of which large stores are not in the hands of traders.

From the interruption of export will result a considerable decrease in the railway traffic, and in consequence, as the majority of railways belong to the crown or are guaranteed by it, the state will sustain a loss of revenue ; while, on the other hand, the railways, especially those going westward, at the outbreak of the war will be entirely, and afterwards to a considerable extent, occupied in the transport of troops and munitions of war. Great difficulties would arise from this circumstance were it not for the fact that transport by water has been so developed that upon the stoppage of export it will be able to satisfy almost all internal needs. The interruption of export abroad, the fall of prices, irregular supply, and great local fluctuations—such are the factors which will strongly influence the course of trade. It is difficult even to foresee what form they will take, and by what influences prices will be determined. When internal competition remains the only factor in determining prices, those districts will be in the best position where competition is most highly developed, as is the case in the western, southern, and metropolitan governments, and in the worst position those districts where monopoly obtains. As relates to the number of traders, it will be found that Russia is in a less advantageous position than the western states. Thus we find that while out of 10,000 inhabitants in Belgium 437 are engaged in trade, in France 429, in Germany 347, and in Austria 164, in Russia only 67 are thus occupied.

From the following statistics (pp. 180–181) it will be seen that at a time when the interruption of communications by a great war would cause famine and even social convulsions in all western states with the exception of Austria, in Russia the danger will be much less, but



*Expenditure on Posts and Telegraphs for One Inhabitant, in 1887, in Copecks.*



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nevertheless will be expressed in a considerable decrease in the income of the population, and in a difficult position of trade.

### III.—MANUFACTURING CRISIS IN TIME OF WAR.

On the manufactures and industries of Russia a great European war cannot fail to react seriously in many respects. The interruption of communications with the West will mean a cessation of the supply of raw materials. Thus the supply of American, Egyptian, and Indian cotton will be stopped. The withdrawal from work of mechanics and experienced workmen will be a factor of great difficulty. The sale of manufactured articles will decrease, firstly, in consequence of the difficulty of transport on railways already occupied for military purposes, and, secondly, in consequence of a decreased demand resulting from diminished incomes and from the dislike of the moneyed classes to unnecessary outlay in a critical time. As a result of these unfavourable conditions production in certain manufactures must be decreased considerably, and in others entirely stopped.

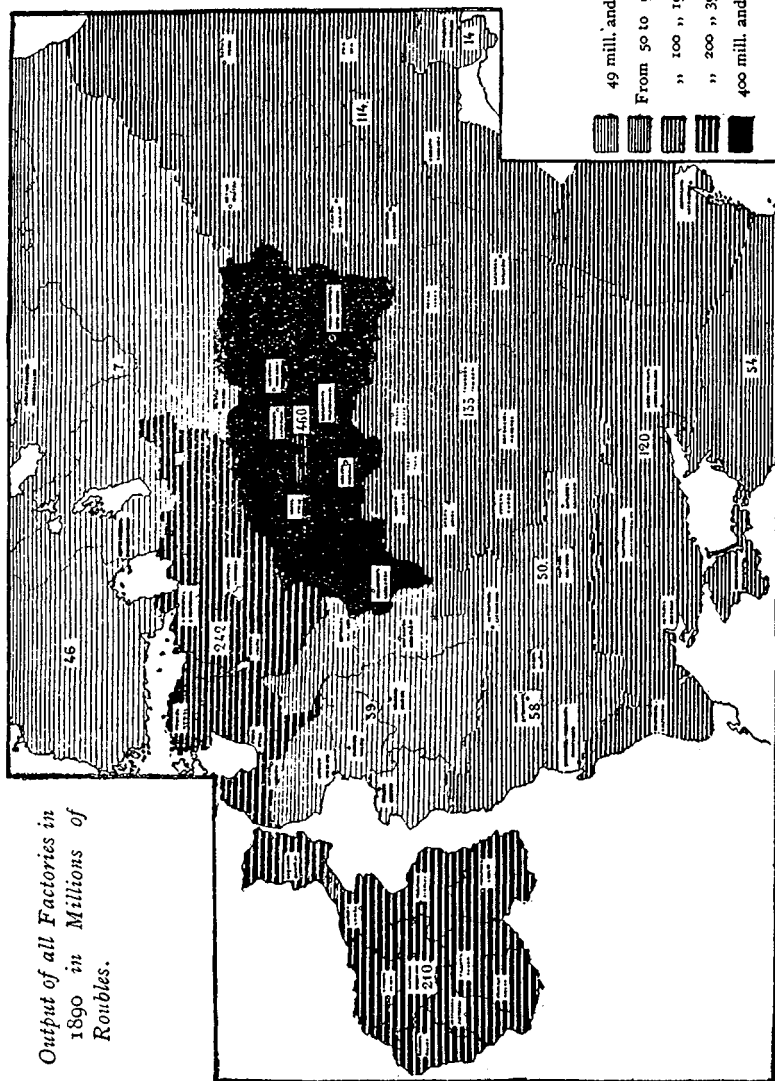
In the time of the last war with Turkey (1877-78), the entire yearly industrial production of Russia barely attained 893 million roubles (£133,950,000); at the present day it has risen to 1828 million roubles (£274,200,000), as is shown by the following table :

Year.	In Millions of Credit Roubles. (English Equivalents, in Parentheses, in Millions of Pounds Sterling.)			
	Industrial Products not subject to Excise.	Yearly Production of Excised Articles, &c.	Mines and Metal Working.	Total.
1878	588 (88.2)	185 (27.75)	120 (18)	893 (133.95)
1892	1266 (189.9)	367 (55.05)	195 (29.25)	1828 (274.2)

The distribution of this production is shown in millions of roubles in the plan on the next page :

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In order clearly to judge of the crisis which would be caused by war we must bear in mind the relations existing between imports and home production. The following table shows the percentage relation of import to production of some of the chief imported articles in 1876 and in 1892 :

	1876.		1892.
Steel . . . .	90.4	...	3.1
Iron . . . .	36.5	...	9.6
Copper . . . .	64.7	...	65.6
Stone Coal . . . .	44.1	...	29.4
Machinery . . . .	40.3	...	30.8
Glass articles . . . .	40.5	...	10.3
Chemicals and paints . . . .	79.2	...	55.1
Paper . . . .	24.0	...	14.1
Leather manufactures . . . .	12.8	...	4.9
Cotton . . . .	24.9	...	3.0
Wool . . . .	77.3	...	12.1
Sugar . . . .	4.0	...	—

These statistics show the greatest development in the following industries: cotton, wool, paper, machinery, chemicals and paints, leather, glass, and sugar refining. In the same period the working of coal and of naphtha increased considerably, while iron smelting and the working of iron and steel also made considerable advances.

From the statistics above set forth it is obvious that the crisis which wars would cause in industrial and manufacturing circles of Russia is incomparably less than would be produced in the Western States. While in the other great European States with the exception of Italy, industry occupies a considerable part—in England the greater part—of the population, in Russia the number of workers in all industries does not exceed  $1\frac{1}{2}$  million men, out of a population of 120 millions. Further, from comparison of the average total of industrial productiveness with the number of men engaged, it appears that in Russia the turnover for every workman engaged is only about 1000 roubles (£150), and that the average factory has a yearly turnover of 50,000 roubles (£7500), and employs about 45 hands. It is obvious that very small industrial under-

takings are not included in this calculation. But such being the statistics for large and moderate-sized undertakings, taken together, it is plain that in Russian industry the mechanical apparatus is much less complex and engages much less capital than in those countries where industry predominates. From this it follows that, upon the decrease and partial interruption of Russian industry, the capital invested will sustain much less loss from the interruption of work than capital similarly invested in the West. But if we suppose that war is to be carried on within the limits of Russia itself, we must bear in mind the difficulties in communication, and the decreased demand in localities occupied by the combatants. The district where military operations were carried on might be considered as lost from the industrial point of view.

Russian industry is based on internal demand, a fact which constitutes an advantage in case of war, as Russian manufactures will not, as those of England, Germany, and France, be threatened with the loss of foreign markets in consequence of interrupted communications. But this superiority will decrease proportionately with the increase in the area embraced by the war. And, although stoppage of work would take place in Russia on a smaller scale than in the West, it would nevertheless place in a difficult position a great number of workers. There is a general opinion that Russian factory hands, being peasants, are guaranteed by their land, and take to industry only temporarily, always reserving the possibility of returning to their farms. In recent years this opinion has been shaken by statistical investigation which undoubtedly proved the existence in Russia of a working, landless proletariat. For such workers the stoppage of production will have precisely the same consequences as in the West.

Mr. E. M. Dementyeff in a recent work, on the foundation of a series of statistics, comes to the conclusion that the current belief as to the absence in Russia of an industrial class is unfounded. There is indeed no doubt that this class is still small. But the question is not one of number, but of the conditions rapidly creating this



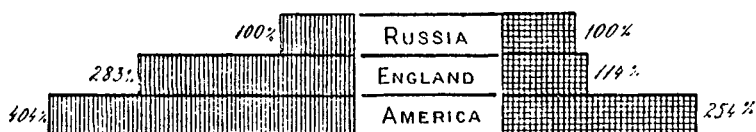
## 186 IS WAR NOW IMPOSSIBLE ?

class, and of the consequences indissolubly bound up with it.

The wages of workmen in Russia in comparison with those which obtain in other European states is very low, and it may safely be assumed that the savings they possess are insignificant. After a detailed calculation M. Dementyeff declares that wages in England, and particularly in America, are greater than in Russia by two, three, and even five times. The following table and diagram show the percentage difference in wages in these countries :

	Men.		Women.
Russia . . .	100	...	100
England . . .	283	...	114
America . . .	404	...	254

*Percentage Comparison of Wages in Russia, Great Britain, and Northern America.*



"But comparison of wages alone," says M. Dementyeff, "conveys no meaning, and even may lead to false conclusions, if the purchasing power of money in the different countries is not taken into account. Only by considering this we can form an idea as to the extent to which wages guarantee the existence of the worker." The author, after making a calculation as to the quantity of the first necessities of life which a rouble will command in England and in Massachusetts, comes to the conclusion that "the incomparably lower wages in Russia can in no way be explained by the greater cheapness of necessities ; such an explanation could only to a certain extent be admitted even in comparison with England."

A characteristic feature of the condition of the Russian factory workers is that they do not live in their own lodgings. Of the general mass of cases examined in this respect by M. Dementyeff, 57.8 per cent. lived at their factories, either in the workshops where they work, or in barracks specially built for them, while the workers having their own lodgings constituted only 18.1 per cent.

The lodgings of factory workers, in the majority of cases, are such that of the "conditions" of their lives, there cannot even be speech. "Workers from distant localities for the most part have a sack or box with personal property, such as changes of linen, and sometimes even bedding; while those who are regarded as not living at the factory—that is, workers from the neighbouring country who go home on Sundays and on holidays—have literally nothing. In no case has either one or the other class any vestige of bed."

The food is no better. In the majority of cases the supply of the workmen is carried on on the *artel* principle, and as far as quantity is concerned no complaint can be made, but the food is of the lowest quality—coarse, monotonous, and with a deficiency of animal substance. It consists of black bread, *stchi* of sour cabbage, porridge of wheat or buckwheat, with beef fat, potatoes, sour cabbage with hemp-oil, or *kvas* with cucumbers—such is the food of the workers from day to day, without the slightest variety throughout the year; only on fast days, of which there are 190 in the year, the beef or salt beef in the *stchi* is replaced by herrings, &c., and the beef fat by hemp-oil. The food of the workers who occupy hired quarters is still worse, both as to quantity and quality.

It is obvious that with such conditions there cannot even be thought of savings for a rainy day, and the crisis caused by war will be reflected on the life of workers in a fatal form. In view of this, common sense will demand that at the outbreak of war organised help of the workers should be begun. But this is a question which ought to be decided in time of peace.

#### IV.—ECONOMIC ENDURABILITY OF THE POPULATION IN TIME OF AND AFTER WAR.

We have referred more than once to the tremendous effect which war must produce in those countries which possess a highly developed industrial system, and where the economic and social order is more complex than in Russia. It will easily be understood that the sudden summons to the colours of a great number of masters and experienced workmen will be felt especially severely in those countries where a highly developed industry absorbs large capital, and gives work to half the population. This crisis will be less severe in those states which still preserve a character generally agricultural, which have less complex organisation and less mutual dependence between the different forms of social and private enterprise.

But from this, of course, does not follow that the poorer the country the better will it bear the strain of war. It is plain that war breaking out after several years of good harvest would have less effect than if it were to appear after a series of unfruitful years. There is a certain minimum of well-being, not only material but also moral, which will enable peoples and districts to bear the strain of war and to recover from its consequences. If we take as example a country standing on a low level of economic development, or a semi-barbarous country, we will see that there war cannot stop the turning of millions of wheels, and will not ruin great undertakings. But the economic consequences of war in such a country will be extremely sensible; a considerable part of the population will die of hunger, and whole districts will be turned into wildernesses. In Central Asia are districts which formerly were flourishing oases, but which, in consequence of a series of wars among a poor population, were simply covered with sand and turned into deserts.

Thus, in considering the relative endurance of the Russian population in time of war and afterwards, we are bound to pay attention to the moral and material level of



the population, and to define the differences in this level in various parts of the country in order to estimate the economic endurance not only of the whole country but of its different parts.

*Growth of the Population.*—Modern economic science, following the statistics of biology, acknowledges that every limit placed on the production of resources necessary for the nourishment, education, and moral well-being of the people, is at the same time a principle inimical to its very life—that is, to its increase. Thus, when considering prolonged periods, one of the first standards must be the natural growth of the population in the different parts of the kingdom. In Russia nine-tenths of the population is composed of peasants, and the general statistics of growth relate mainly to them.

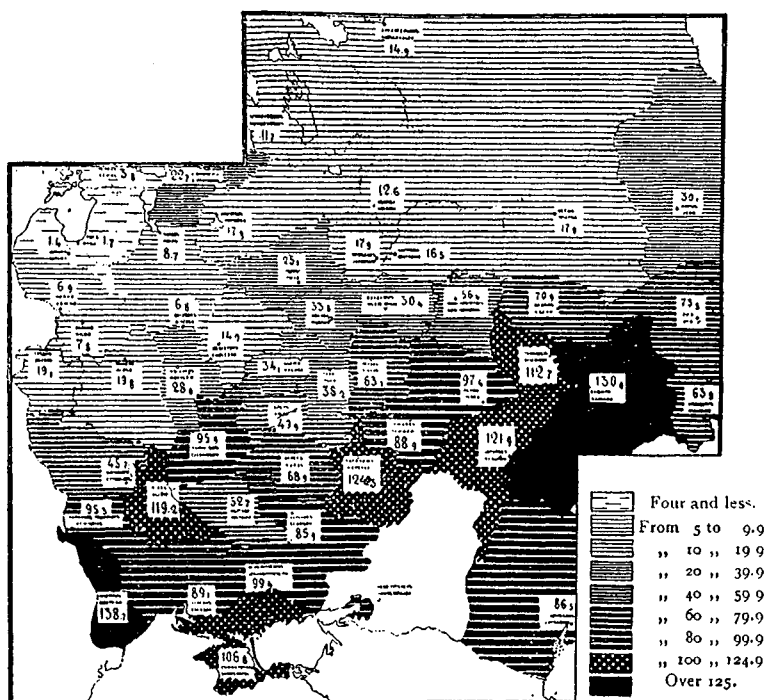
Following the system of M. A. Malshinski in his work on "Popular Well-Being," we adopt the following classification for determining the degree of well-being in the different governments of Russia :

- (1) Condition excellent, where the yearly growth of the population amounts to 20 and more in every thousand of the general population.
- (2) Condition very good, with an increase of from 15 to 20 in the thousand.
- (3) Condition fair, with a growth of from 10 to 15 per thousand.
- (4) Condition unsatisfactory, with a growth of not less than 8 per thousand.
- (5) Condition bad, with a growth of less than 8 per thousand.

As relates to the general growth of the population in the various governments it is impossible to distinguish the natural growth from the growth which has resulted from immigration. But the chart on the preceding page illustrates the comparative growth of the population in 1885 and 1897.

*Distribution of the Population.*—But statistics as to growth of population are in themselves insufficient to

*Average Number of Houses in a Settlement.*



enable a judgment to be formed as to the level of well-being. It is therefore necessary to complete them with other information. The distribution of the population in villages is another factor from which conclusions may be drawn. The chart on the previous page shows the average number of houses in a settlement.

*Fires.*—Of the comparative condition of the country population in different parts of the empire we may judge by the number of fires, and also by the losses caused. It is generally taken as proven that the poorer the population the greater the number of fires, while the losses from fires, falling in general on a single householder, are relatively smaller. In the two charts (pp. 194–195) we show the average value of a single burned property in the villages in the period 1860 and 1887 in roubles, and the average total of losses from fires in villages by every 100 inhabitants. From these charts it appears that wealth is greater in those governments which may be considered as the theatre of war, as the value of burnt properties is greater ; while on the other hand the general loss is less owing to the smaller number of cases of fire. In foreign states the yearly losses from fire per hundred inhabitants are shown in the following table in metallic roubles :

Great Britain . . . . .	160 (£24)
France . . . . .	50 (£7 10s.)
Germany . . . . .	81 (£12 3s.)
Austria . . . . .	63 (£9 9s.)
Belgium . . . . .	55 (£8 5s.)
Holland . . . . .	63 (£9 9s.)
Sweden and Norway . . . . .	99 (£14 17s.)
United States . . . . .	220 (£33)
Canada . . . . .	288 (£43 4s.)

In Russia the losses from fire in the period 1860–1887 amounted to 116 roubles (£17 8s.) per hundred inhabitants of the towns, and 52 roubles (£7 16s.) per hundred inhabitants in the country, in all about 62 roubles (£9 6s.) From this we see that of all the European states only in France and Belgium do fires cause less damage than in Russia, notwithstanding the fact that the Western

states, as far as wealth is concerned, generally stand much higher than Russia.

It is useful here to note the relation of values insured to losses in different countries :

	Per Cent.		Per Cent.
France . . .	75	Canada . . .	44
Germany . . .	74	Belgium . . .	43
United States . . .	55	Russia . . .	9
Great Britain . . .	46		

From this it will be seen that in Russia guarantee against fire by insurance is from 6 to 8 times less than in other countries.

*Towns.*—Through insufficiency of statistics it is difficult to speak of the towns in Russia. One thing, however, stands out in relief—that is, that they grow more slowly than in Western countries, while the population of the country increases quickly. In Western Europe the agricultural population increases slowly, and even inclines to diminution, as may be seen from the following table :

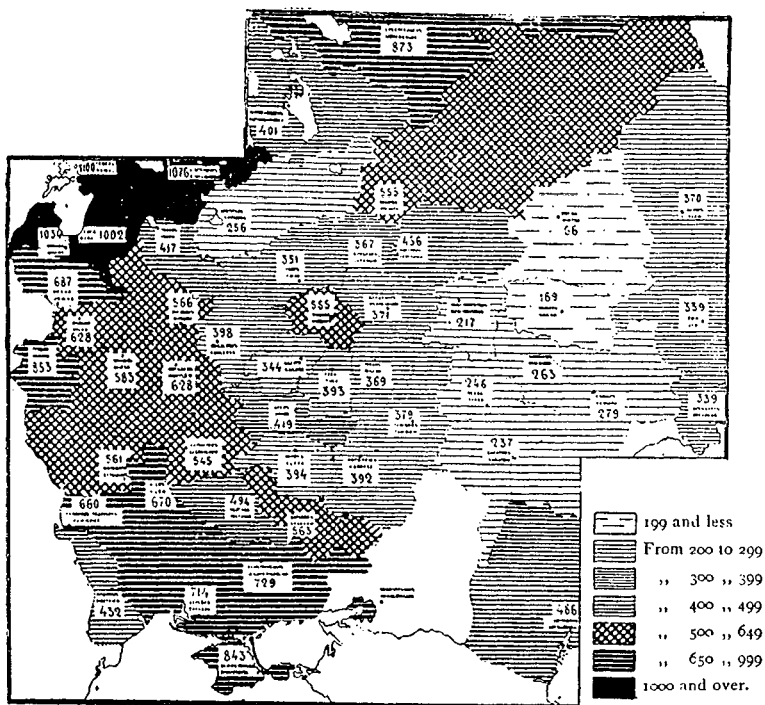
*Percentage Growth of Town and Country Populations to 1885, taking the Population in 1863 as 100.*

	Country.	Towns.
European Russia . . .	+ 31	+ 64
Poland . . . . .	+ 65	+ 75
Austria . . . . .	+ 2.5	+ 117.9
Germany . . . . .	- 4.6	+ 61
Prussia . . . . .	- 5.3	+ 80.1
Saxony . . . . .	+ 1.4	+ 76.9
France . . . . .	- 3.6	+ 26.6

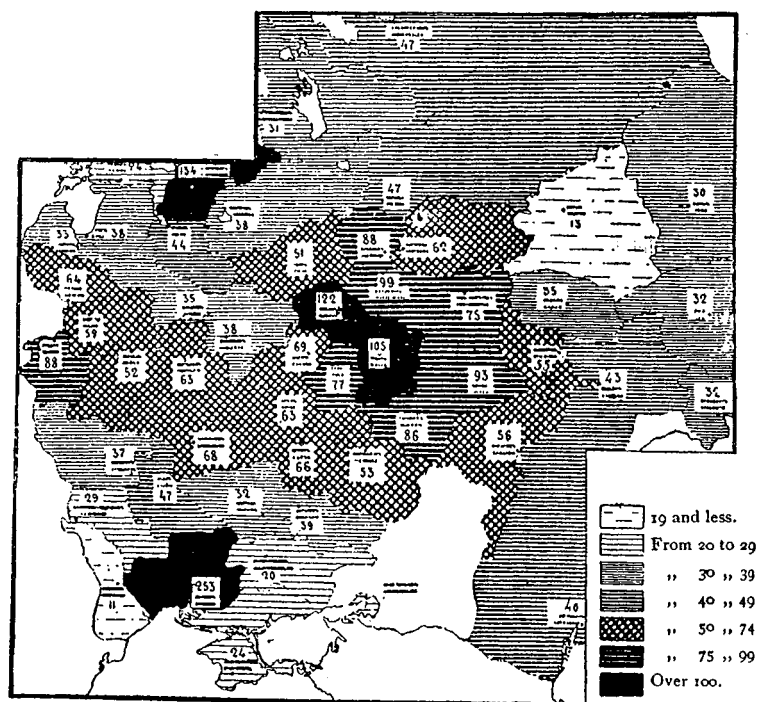
*Savings.*—The level of deposits in the savings banks is one of the best bases for judging of the degree of well-being of a population. But in Russia this factor cannot wholly be relied upon, as, although since the foundation of savings banks the agricultural population has begun to entrust to them its savings, still this practice has not yet become as general in Russia as abroad. Compared



*Average Value of one Property destroyed by Fire, between  
1860-87, in Roubles.*



*Average Losses from Fires in the Country, in Roubles, per 100  
Inhabitants, between 1860-68.*



with the other European states Russia in this respect occupies the last place.

*Condition of Agriculture.*—The emancipation of the serfs thirty-five years ago could not fail to react upon the condition of agriculture. Both large and small agriculture, with the abolition of free labour, had to be reformed radically on the principles of hired labour and intense cultivation. Resources for floating capital were realised through ransom. But the suddenness of the transfer to the new conditions operated in such a way that the majority of private landowners could not or would not undertake the new work. Some proprietors abandoned personal participation in agriculture, and went into the services; others continued to work, as far as was possible, on the old basis, with the difference that they no longer had the advantage of free labour. It may be said that agriculture in Russia presents a compromise between the conditions of serfage culture and the requirements of a rational system. To a considerable extent it is still carried on without working capital, labour being paid for with a proportion of the harvest; and agriculture remains almost in the same position as in the days of free labour.

To introduce variety in cultivated products in peasant agriculture is very difficult. The peasants specialising ever more and more in one kind of corn, in consequence of the fall of prices, cannot draw from agriculture, even in the event of superfluous crops, sufficient money for redemption payments, taxes, and for the purchase of necessary articles. To all these requirements for ready money, owing to the growth of the population is added the necessity for leasing land from private proprietors and from the Crown; for even in the case of lease from private proprietors payment is made not only in kind—that is, by ploughing, harvesting, and threshing—but partly also in money. Thus the growing need of the peasantry for money has led them into debt, and encouraged in the country the growth of a burdensome usury.

The increased tendency of the peasantry in many locali-

ties towards emigration shows that peasant agriculture has been played out in consequence of the exhaustion of the land and of the impossibility of obtaining money. Together with this, the decrease in the number of cattle, the absence of improvements in tillage, and the poverty of domestic life, show the wretched condition in which the remaining peasants find themselves. And, indeed, in some governments the greater part of the peasants, in order to satisfy their needs, are compelled to seek additional support in labour away from home.

With such extremely unsatisfactory conditions the consequence of a great war could only be to increase the difficulties of peasant agriculture, all the more so since a war would interrupt for a long time many auxiliary employments.

In relation to indebtedness, large and especially moderate landowners are in no better position than the peasantry. Compelled to seek floating capital for the carrying on of industry, landowners had recourse to mortgage. True, the advances they received were made on terms incomparably lighter than those made to the peasants, but their total indebtedness is unquestionably greater than the indebtedness of the peasantry. On the 1st January, 1896, the value of mortgages issued by thirty-six lending institutions was 1,618,079,807 credit roubles (£242,711,971 *ls.*), 2,689,775 roubles metal (£403,466 *5s.*), and 7,101,900 German marks (£355,095).

Although before the emancipation of the serfs a considerable proportion of Russian estates was mortgaged, yet the percentage charged by the Imperial Loan Bank was lower than that since charged by joint-stock banks; and as the loans were made upon the number of souls, the very growth of the population, by remitting auxiliary loans, facilitated the payment of part of the first loan. The institution of the Nobility Bank, and the consequent diminution of yearly payments, constituted indeed a considerable relief; but, without dwelling upon the fact that credit in the Nobility Bank is not accessible to all landowners, borrowing generally lays upon agriculture a

heavy burden, and can only result in advantage when the money raised is devoted to increased production, and even this depends upon satisfactory harvests. But there is reason to believe that the greater part of these loans was employed in unproductive objects, and also in provision for inheritances, so that the growth of the population acted injuriously.

To such influences were added the fall in the price of corn in Europe, in consequence of trans-oceanic competition, and in Russia by special local circumstances. In addition, it must be remembered that local purchasers of corn are less numerous in Russia than in other European states, owing to the relatively smaller urban and industrial population. If the production of corn did not decrease, it is due to the opening up of new lands, and increased attention to tillage in the south and east of the country. For further extension of tillage, room remains now only in the east and in the north. In the course of time, if the present primitive methods for working the land are not improved—and for this are required those financial and intellectual forces which are now devoted to the strengthening of the military power of Russia—the production of corn will not only cease to increase, but will begin to diminish. Even now the breeding of sheep and cattle is declining.

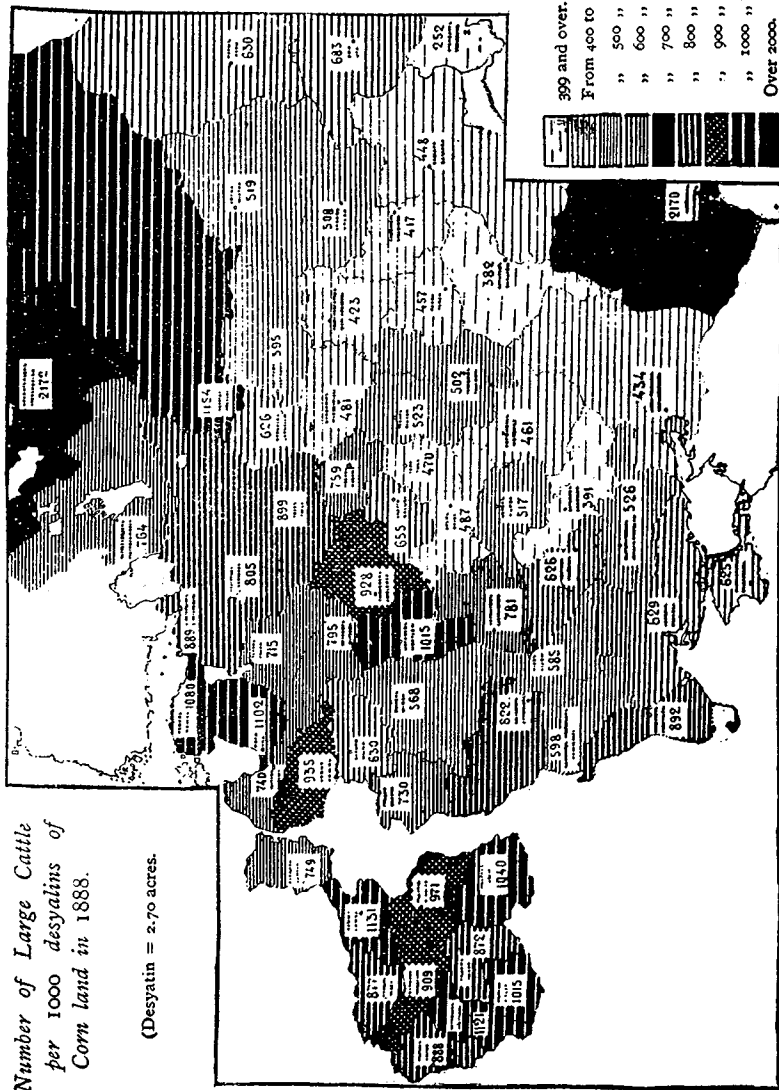
*Number of Domestic Animals.*—The quantity of cattle raised is a chief sign of the well-being of the agriculturist, not only because cattle represent capital, but because the very feeding of the population can be guaranteed only by the aid of the products of cattle raising. In this respect large horned cattle take the most important place, and the quantity of these in different parts of the Empire differs and submits to fluctuations. Up to the time of the building of railways, the raising of cattle was generally looked upon as a necessary evil, for the price of such products was very low. Nevertheless as the outlay caused by the distance of the markets from the place of production, owing to primitive methods of transport, was great, proprietors of necessity had recourse to cattle

*Number of Large Cattle  
per 1000 desyatins of  
Corn land in 1888.*

(Desyatin = 2.70 acres.)

## IN RUSSIA

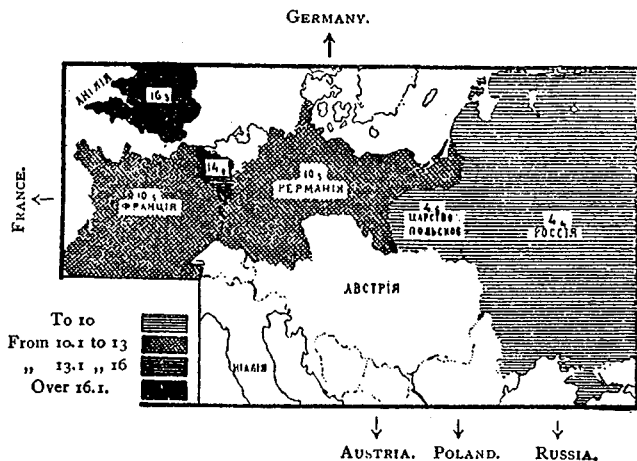
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breeding in order to draw some revenue from their estates. It is very natural that after the building of railways cattle breeding in those districts where improvement was not valued began to decay, at the same time the production of corn giving much worse results. In the chart on the preceding page will be found the distribution of stock in the different governments, taking as unity a head of large cattle, or 10 sheep, 12 goats, 4 pigs, and  $\frac{3}{8}$  horse.

*Comparative Merit of Agriculture.*—It is well known that by the number of domestic animals we may judge of the merit of agriculture in a given locality. The more persistently agriculture is carried on, the more, with normal conditions, it requires improvement of the soil, and in consequence the quantity of domestic animals must be greater. Now the productiveness of land in Russia is much lower than in other states, as will be seen in the annexed chart.

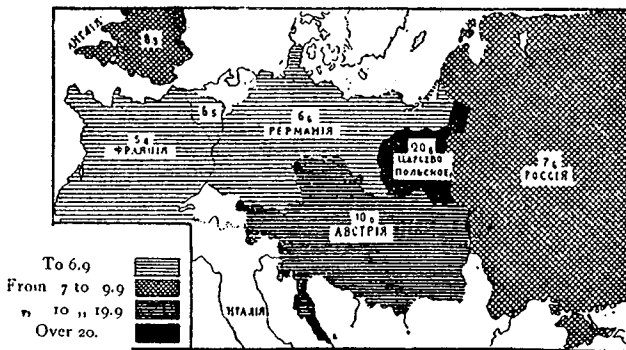
*Yield per Desyatin (= 2.70 acres) in Quarters.*



The circumstance is not without significance that in case of war a certain area of land gives a small reserve of

corn. By comparing harvests with the number of domestic animals, the condition of Russia is also shown to be very bad, as will be seen from the following chart :

*Number of Large Cattle per 100 Quarters yield.*



The following table is even more instructive :

	On 100 Desyatins of Land under Seed Russia has Less Cattle than		The Harvest from a Desyatin of Land in Russia is Less by
England . . .	75 per cent.	...	73 per cent.
Belgium . . .	63 "	...	69 "
Austria . . .	53 "	...	38 "
Germany . . .	51 "	...	58 "
France . . .	43 "	...	58 "
Average . . .	62 "	...	59 "

From which we see that in Russia 100 *desyatins* (270 acres) of corn land have 62 per cent. less domestic animals, and yet produce a harvest only 59 per cent. less than in other states. Such a comparatively favourable result proceeds from the fact that in recent times much land formerly lying idle has been devoted to agriculture, and partly from the abundance of land; for Russia in comparison with other states has the smallest proportion of her land under



seed—precisely 26 per cent. of her area—while the other states have 43 per cent.

The time in the course of which the population of each government of Russia might feed itself from its own harvests is shown in the chart on the next page, from which it is seen that the most unfavourable conditions in this respect would be found by an invading enemy in the governments of Vilna, Grodno, Minsk, Vitebsk, Moghilef, and Tchernigov. This conclusion is founded on statistics as to the relations of population to harvest—that is, on the extent of the superfluity of the general harvest. To give a clearer idea of this matter it is necessary to show separately the harvests on the lands of private proprietors and on the lands held by the peasantry. Private proprietors of course utilise a very insignificant proportion of the grain they raise, while the peasants chiefly live on their own corn, and sell only a small surplus, sometimes even being forced to buy. In view of the importance of this question, we show in the two diagrams on page 205 the harvest of the chief grains on the lands of proprietors and peasants in millions of quarters in 1893, in fifty provinces of European Russia, and ten governments of Poland.

The tillage of land by proprietors might be considered a favourable factor if it were a sign that proprietors occupy themselves with agriculture, and exploit the land in regular form. But, unhappily, facts are entirely opposed to this. In the majority of cases proprietors have no interest, under present circumstances, in working the land with their own resources, and lease it to the tenants by the *desyatin*,\* at a rent, for a proportion of the harvest, or for labour. To improve the methods of agriculturists is extremely difficult. The conditions under which the emancipation of the peasantry took place, the consequent agricultural crisis, and those measures which were taken in foreign countries for its avoidance, placed Russian agriculturists in an extremely difficult if not hopeless position. And there is no need to be a prophet

\* A desyatin is equivalent to 2.70 acres.

to foretell that the economic condition of Russia will become every year worse and worse if the present state of affairs continues. Russia is a country which exports agricultural products, yet by that very action she exports also the native virtues of her soil. From an estimate of the quantity of wheat, oats and barley—that is, the chief grains—and the number of domestic animals and bones exported, it appears that Russia sends out of the country every year more than 80 million roubles (£12,000,000) worth of the value of the soil. These figures are in no way surprising. By calculations made by Komers it is shown that in order to retain the fruitfulness of the soil it is necessary to devote to that purpose from 20 to 33 per cent. of the income which it yields.

A more intense system of culture is therefore for Russia a first necessity; but for this is required a certain tension of intellectual and material resources of which a deficiency is now experienced. In the "Agricultural Reviews," published by the Russian Department of Agriculture, we constantly meet the statement that the unsatisfactory harvests of Russia depend less upon climatic and natural conditions than upon unsatisfactory methods of culture. Especially loud, in this respect, are the complaints made against the methods of the peasantry.

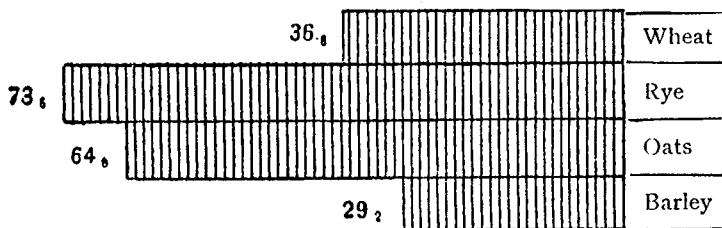
It is necessary to repeat that the emancipation of the serfs left landed proprietors, as concerns resources, in the most lamentable position. More than three-quarters of the total number of estates were mortgaged to the old Credit Associations, scarcely one proprietor possessed savings, and agriculture was carried on only because free labour enabled proprietors to do without ready money. Even agriculture carried on on a large scale in pre-emancipation times required the most inconsiderable capital. But agriculture as lately carried on, without floating capital and without productive outlay, can only lead to the exhaustion of the soil.

*Indebtedness of the Peasantry.*—As concerns the

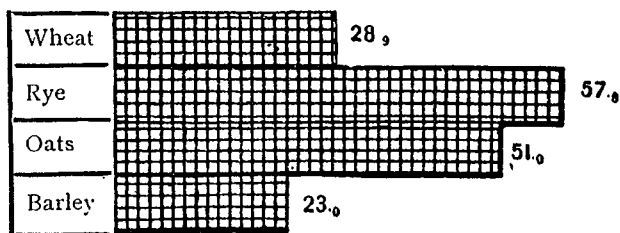
peasantry emancipation shook the country out of torpidity, and introduced new conditions of life, freedom of activity, and immediate responsibility for payments to the state. The possibility was created of buying and leasing land, but, at the same time, arose also the need of acquiring bread and seed, and other objects formerly received

*Harvest in Millions of Quarters in 1893.*

*Proprietors.*



*Peasants.*



from the proprietor, or gained by work at home. The peasants disposed of more time for work among themselves, but, at the same time, a need arose for money payments instead of service. Natural agriculture was replaced by agriculture on a money basis. It was plain that money was to serve as the chief factor in the new conditions.

It was from such a circumstance that the indebtedness of the peasantry arose. It is obvious that if extreme need

for money were only experienced by the peasants on special occasions, they might either take advantage of their own savings or borrow money from their neighbours. But with the absence among the people of any considerable savings, and the non-existence of popular credit, the peasants were obliged to have recourse to the so-named *miroyeds* and usurers, on the most burdensome terms.

A systematic and comprehensive investigation of the debts of the Russian peasantry has not yet been made. For this purpose it would be necessary to collect precise information in all governments, as has been done by the Zemstva in those governments where statistical bureaux exist. At the present time we have only fragmentary statistics.

From the statistics collected by the Zemstva it is shown that private credit costs the peasants of Great Russia from 40 to 60 roubles (£6 to £9) yearly on a loan of 100 roubles (£15), and this only for common loans, individuals paying at a higher rate, even as much as 150 per cent. "Owing to the difficulty of obtaining money on any conditions," writes M. Sokolovski in his work on the subject, "the peasants have recourse to the most ruinous means—to the sale of their summer labour in advance, to the sale of corn necessary for their families, even to the sale of corn immediately after harvest. It may be imagined that in such conditions the very lowest prices are obtained; thus soon appears the necessity for new loans, and a veritable system of slavery results.

"Such slavery in the Great Russia is exploited by the *miroyed* on a lawful basis. . . . Thus, for instance, the winter price of summer field labour is but a half or a third of the summer price, so that the *kulak* having made a loan on this basis receives from 100 to 300 per cent. on his advance. . . . There exists a veritable trade in slave labour. Travelling from village to village these usurers furnish the peasantry with money, binding the borrower to repay the debt by summer work; and having thus acquired a working force, sell it at a price two to three times

higher to those who require summer labour. This system obtains as generally in the south as it does in the north. In winter time when some unfortunate peasant is threatened with an execution for non-payment of taxes, or in spring when he is threatened with starvation, the usurer buys for a trifle his summer labour, giving him in advance from 15 to 30 roubles (£2 5s. to £4 10s.). In spring the usurers drive whole *artels* of labourers to field labour and to factories, having sold their labour at double the price they paid.

"Traders of another sort travel through the country engaged exclusively in the traffic in children. Many poor parents for a trifling sum sell their children for a certain number of years, in the course of which the children are to be left with tradesmen or artisans in the capacity of apprentices. Having bought in this manner a score of children, the trader sends them in carts to St. Petersburg, precisely as traders of another kind send calves. In St. Petersburg these children are sold to shops and factories at a profit of from 200 to 300 per cent. Such a trade in children and in adults is generally prevalent in the Moscow, Ryazan and other governments."

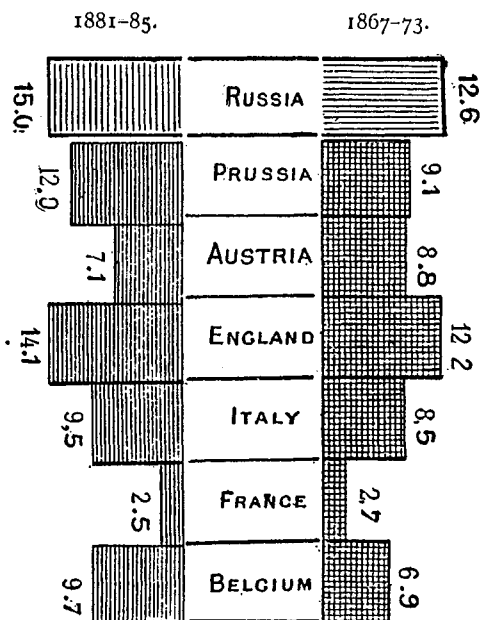
*Marriages, Births, and Deaths in Russia.*—We have already considered the growth of the population in Russia, in its association with other conditions of the population. In the following table will be found a comparison of the growth of the Orthodox population of Russia with the growth of the general population of other European countries :

*Increase in a Thousand Inhabitants.*

	1881-85.		1867-73.
Russia . . .	15.0	...	12.6
Prussia . . .	12.0	...	9.1
Austria . . .	7.1	...	8.8
England . . .	14.1	...	12.2
Italy . . .	9.5	...	8.5
France . . .	2.5	...	2.7
Belgium . . .	9.7	...	6.9

Let us present this comparison graphically :

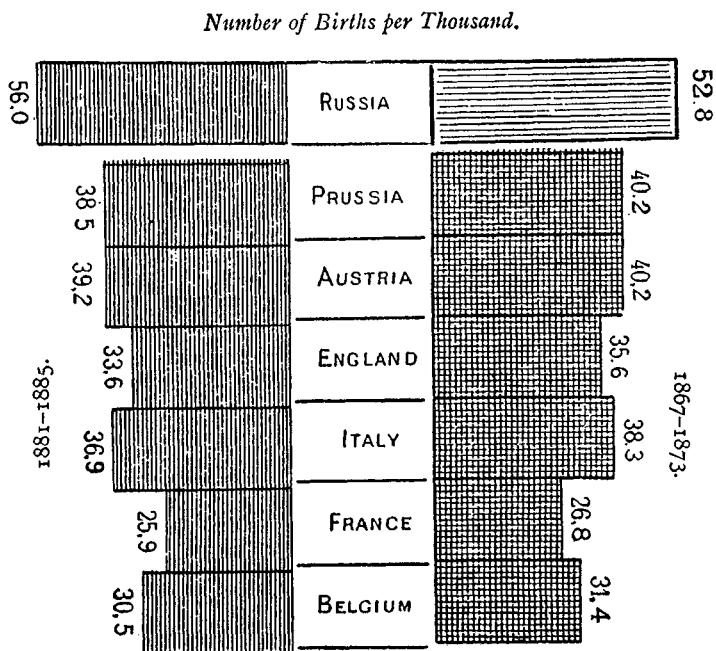
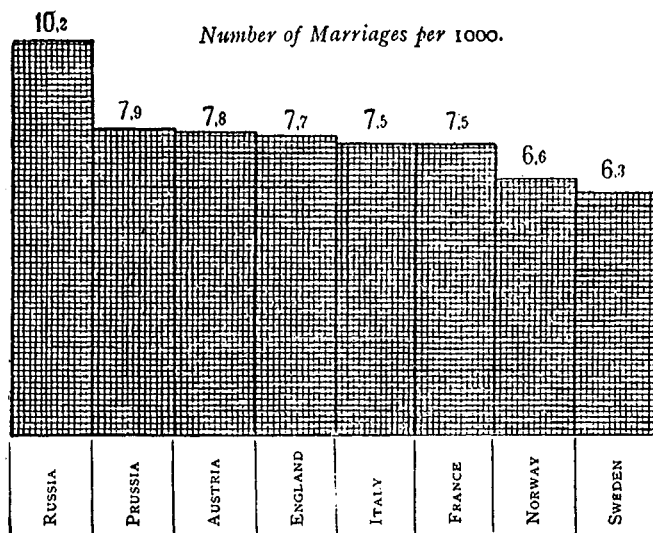
*Growth of the Orthodox Population in Russia, and the General Population of other Countries, per Thousand.*



In Russia the proportion of marriages, as will be seen from the diagram at the top of the next page, immensely exceeds the proportion of other states.

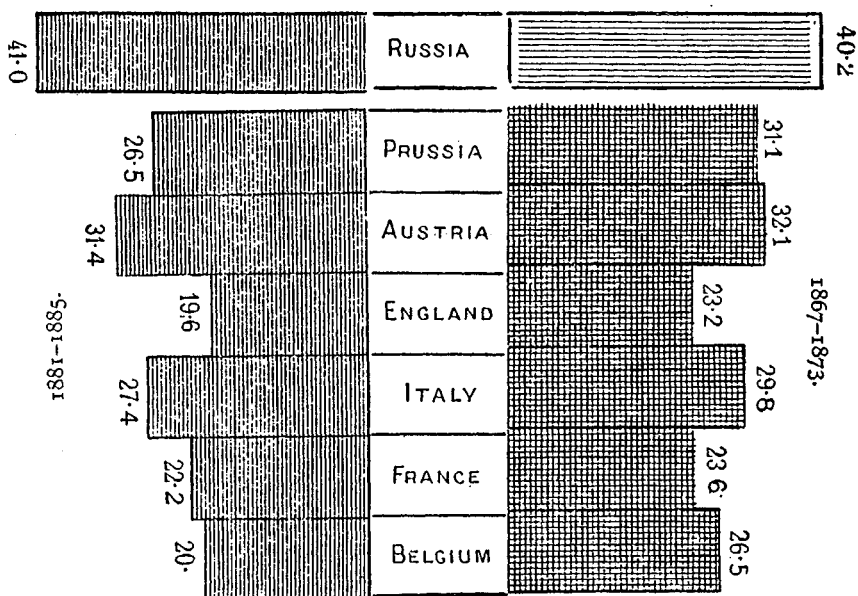
In the number of births a similar preponderance is shown in the case of Russia, the rate being twice as great as that of France, and one and a half times greater than that of England.

The number of births in Russia in the period 1881-1885 in 1000 inhabitants is expressed by the figure 56.0, while among the other European states the greatest birth-



rate was only 39.2 (Austria). But at the same time the mortality in Russia is greater than elsewhere in Europe ; in the above-mentioned period it amounted to 41 in the thousand, while in other countries the greatest mortality, that of Austria, was only 31.4 in the thousand.

*Mortality per 1000.*



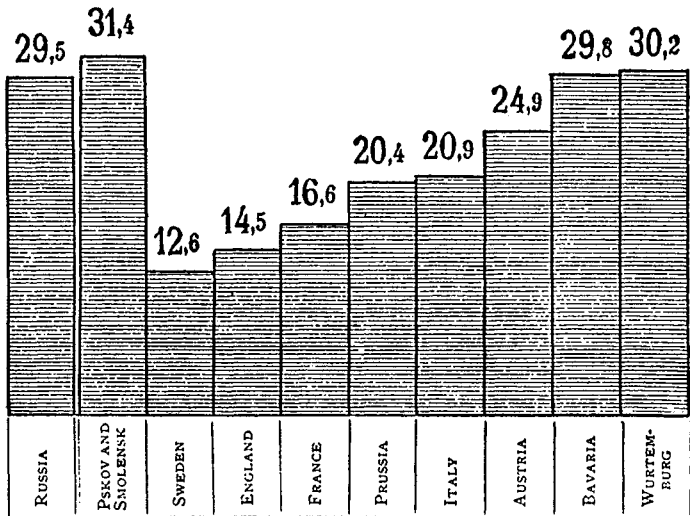
In Russia the death-rate of children is especially high. In the period 1865--1878, out of 100 deaths the number of children under 11 years old in Russia was 36.2, in Prussia 32.2, and in France only 18.7.

Still more characteristic is the mortality among infants under one year old ; in Russia it amounts to 29.5 per cent. of the number born, and in certain governments, for instance Pskov and Smolensk, to 31.4 per cent. ; in foreign



countries, as is shown by the following diagram, the mortality of infants of under one year is higher only in Bavaria and in Wurtemberg.

*Percentage Mortality of Children under One Year.*



The mortality of infants of this age is an important factor in judging of the degree of culture of a people and of its moral condition. There can be no doubt that economic well-being and intellectual development constitute factors opposed to a heavy infant mortality. It is obvious that in the interests of a state it is less important that children should be born than that those born should live, the consequence of which is the preservation of a greater quantity of working forces and money resources, not only in individual families, but in the whole country. Infant mortality depends mainly upon nourishment, or in other words on the degree of prosperity of the people. The investigations of Pfeiffer show that of the

total number of infants dying within a year of birth, from 40 per cent. to 70 per cent. die from bad or insufficient food.

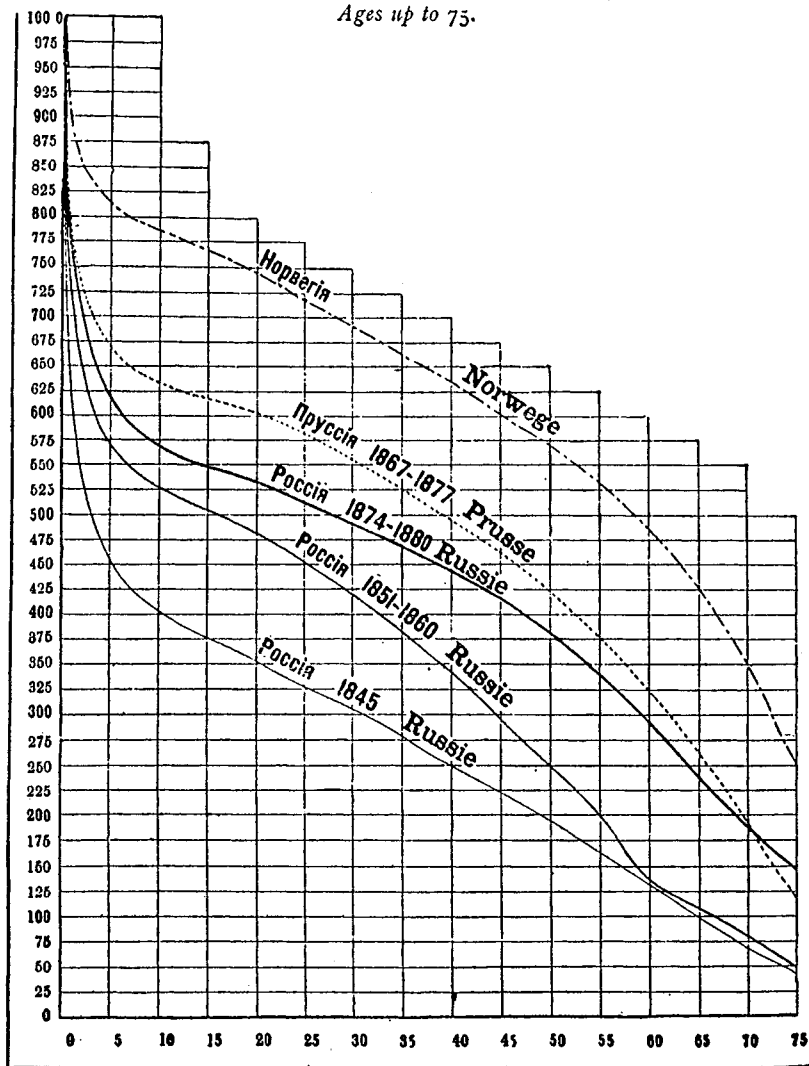
Deficiency of suitable food, that is, plainly, hunger, is the cause of the high mortality among the infant population of Russia. The Protoierei Gilyarovski, in his valuable work, "A Sanitary Investigation of the Government of Novgorod," mentions the following circumstance as an illustration of the condition of the agricultural population. The labourers on going to work leave the unweaned infants behind, and in order to prevent their death by hunger, owing to want of milk, "employ a system which for simplicity and horror might be the method of savages. Having made dumplings out of masticated black bread, they bind them to the hands and feet of the children, in the belief that the child when rolling on the floor will lift its hands and feet to its mouth and suck the nourishment from the bread."

Mortality is also found to depend upon a number of other conditions—geographical, climatic, and racial, from the occupations of a people and from its medical organisation. But the chief factor determining mortality remains nevertheless the degree of economic well-being ; and thus from the mortality statistics we may fairly judge of the condition of a population.

We have already quoted statistics showing that in 1867-73 the mortality of the Orthodox population of Russia amounted to 40.2 in the thousand, and in the period 1881-85 to 41. The growth of the population, representing the preponderance of births over deaths among the orthodox population in the period 1867-73 was 12.6, and in the period 1881-85, 15.

It is not surprising that the statistics of births, mortality, the composition of the population, age, &c., in Russia, are extremely unsatisfactory in comparison with those of other states. It is enough to emphasise the fact, illustrated by the chart on the next page, that of 1000 persons of both sexes born in Norway, 717 attain the age of 25 years, in Prussia 581, while in Russia only 508 attain that age.

*Number of Survivors out of 1000 Children Born, at all  
Ages up to 75.*



The life of every individual represents a certain quantity of potential energy necessary for the fulfilment of his appointed work ; in other words, the life of every man has a definite value to the state. The value of life on the basis of potential energy is estimated in England in the following form :

				£
A new-born child of the farming class has a value of				5
At 5 years of age has a value of	.	.	.	56
" 10 "	"	"	"	117
" 15 "	"	"	"	192
" 20 "	"	"	"	234

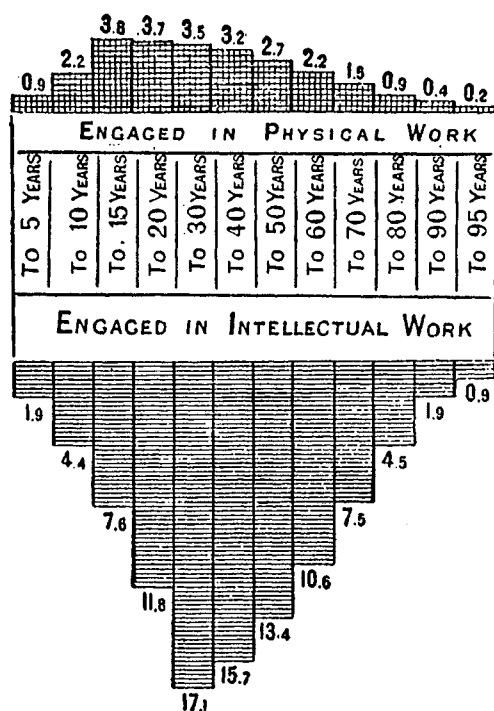
It is necessary to observe that up to the age of 17 years the average value of the labour of a man is lower than the cost of his maintenance. The value of human life in Prussia, estimated in five-yearly periods, separately for manual and for intellectual work, is given by Professor Wittstein, as in the diagram on the following page.

But in addition to the loss of capital, the death of every man causes special outlay for medical treatment and burial, and constitutes a direct loss to the state. The figures given in the following table, taking 1000 births, show that the number of individuals living to a working age of 15 years, and also to 60 years, is less favourable to Russia than to other states :

				To 15 years.	To 60 years.
Russia	.	.	.	452	213
Sweden	.	.	.	727	440
England	.	.	.	695	365
Switzerland	.	.	.	694	362
France	.	.	.	680	383
Germany	.	.	.	609	311
Italy	.	.	.	576	320

Having examined these statistics of mortality, it is impossible not to come to the conclusion that the cause of the greater mortality in Russia is the poverty of its population and the lower degree of its culture.

*Value of Human Life in Thousands of Thalers.*



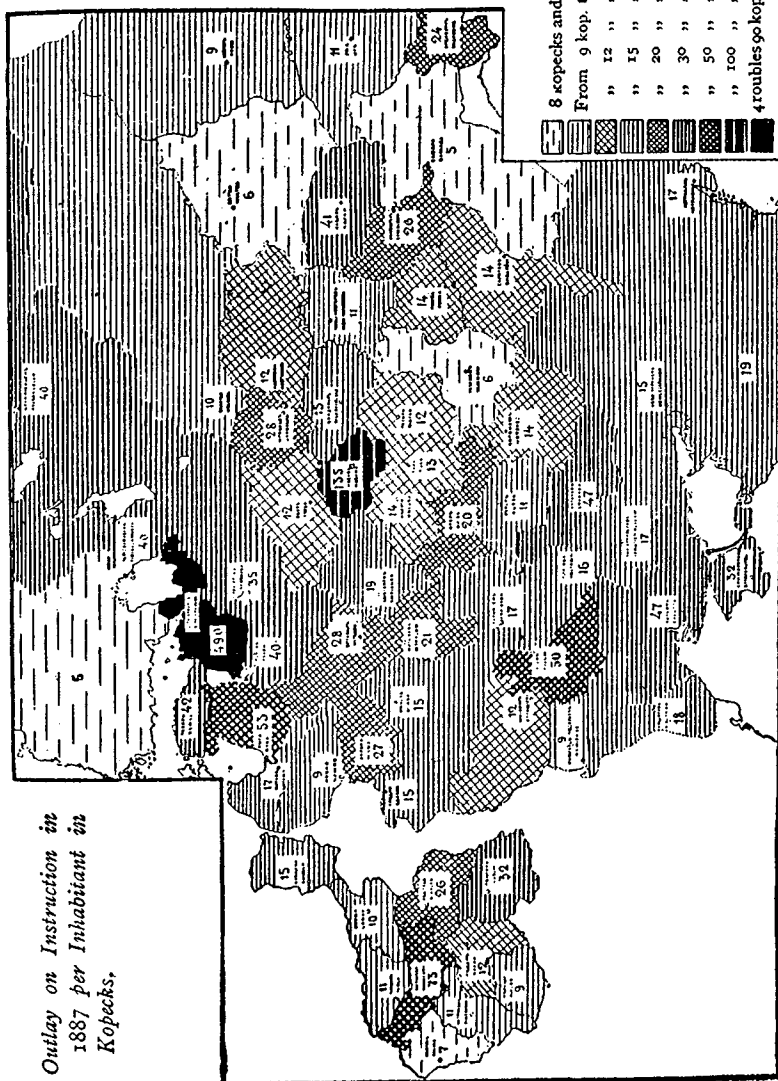
#### V.—MORAL CONDITION OF THE POPULATION.

We have already cited a number of facts indicating the condition of poverty of the mass of the population of Russia. This question especially required enlightenment in view of the gravity of the consequences which war might call forth and which might follow in its wake. General conclusions here can only be drawn from the impartial evidence of figures, and it was this consideration

# IN RUSSIA

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*Outlay on Instruction in  
1887 per Inhabitant in  
Kopecks.*



which impelled us in treating partly of the economic and partly of the moral condition of the country to treat also of matters which it may appear have no direct immediate bearing upon the contentions of this work. But this inconsequence is only apparent. The significance of war for Russia, as for all other countries, cannot be estimated merely by the number of armies which may be put in the field, the number of shells which may be discharged in a given time, and the extent of ground which would be covered by their fragments. Many factors in the policies of peoples which in times of peace stand little in relief, in that revolution of all conditions which war may cause will acquire a special significance, and it is in the consideration of these factors that we find it necessary to delay.

*Popular Education.*—In Russia popular education stands, unhappily, on a very different foundation from that which would be desired. Devoting all its resources to the satisfaction of military requirements and the payment of loans, the Government has had little left to devote to education. From the chart on the preceding page, which shows the yearly outlay on education for one inhabitant, it will be seen that the expenditure on education is distributed over the country very unequally, fluctuating between 3 kopecks and 4 roubles 90 kopecks (from  $\frac{3}{8}d.$  to 14s.  $8\frac{3}{4}d.$ )

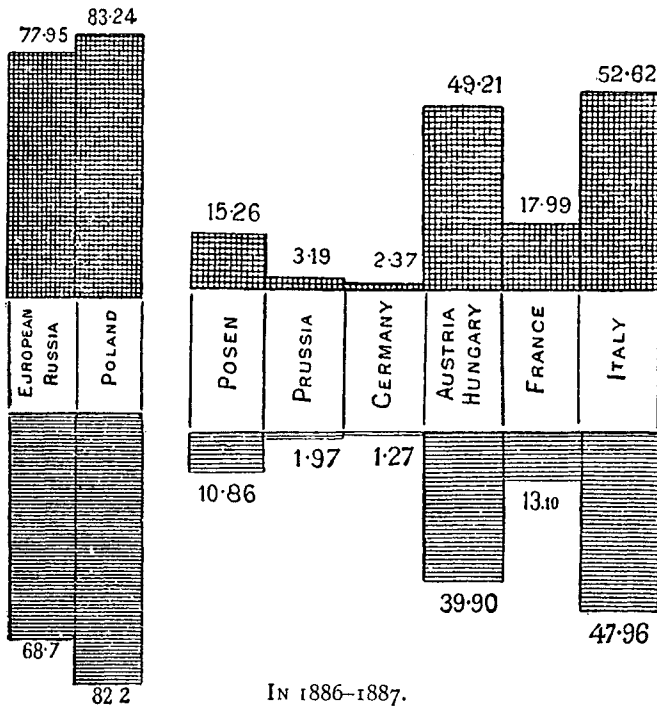
The low level of education in Russia is shown most clearly of all by the number of illiterates accepted for military service. It will be seen from the diagrams on the opposite page that the number in Russia is 50 times greater than in Germany, 6 times greater than in France, and 50 per cent. greater than in Italy.

If we examine the distribution of illiteracy by governments we shall see that in the Baltic provinces the number of illiterates, compared with the total population, is less than 5 per cent., whereas in Great Russia it is as high as 94 per cent. In the government of Moscow it is 47 per cent., and in the six contiguous governments it fluctuates between 58 per cent. in Vladimir and 76 per cent. in Smolensk. In Kishenef and Ufa the number of illiterate recruits in the

period 1874-83 was 92 per cent. and 94 per cent respectively.

Such a lamentable condition of things is not confined

*Percentage of Illiterates accepted for Military Service.*



to the lower levels of education only. In intermediate and higher education we find a state of things relatively similar. The diagrams on pp. 218-219 give some illustration of this statement.

As an illustration of the deficiency of special training

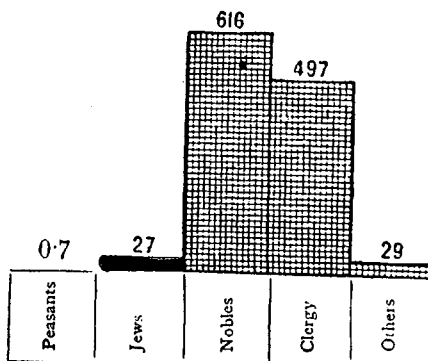


# 218 IS WAR NOW IMPOSSIBLE?

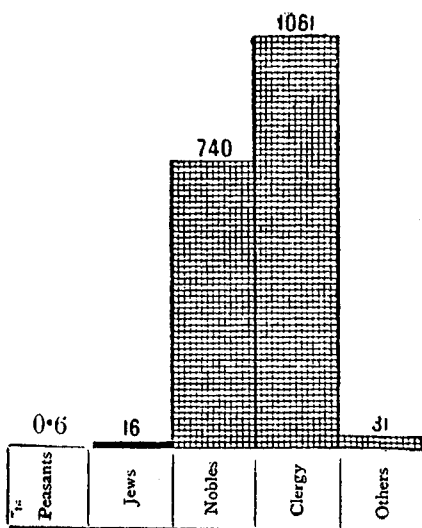
*Number of Students in Higher and Intermediate Educational Institutions, per 100,000 of the Population, Classified according to Social Condition.*

## IN UNIVERSITIES.

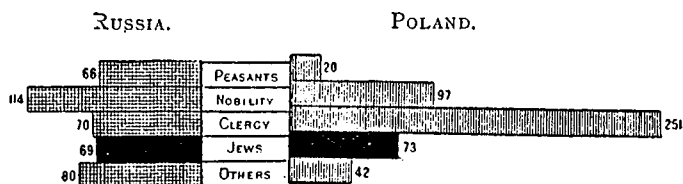
### RUSSIA.



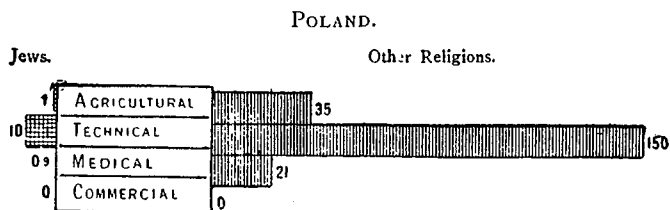
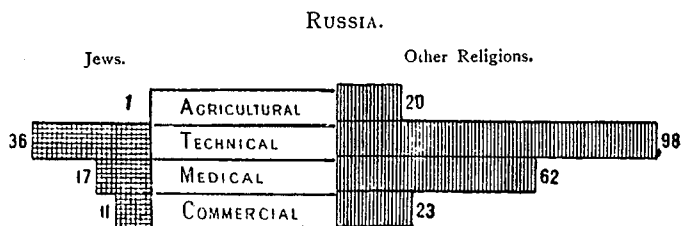
### POLAND



*Number entering Universities per 1000 trained in Intermediate Schools.*



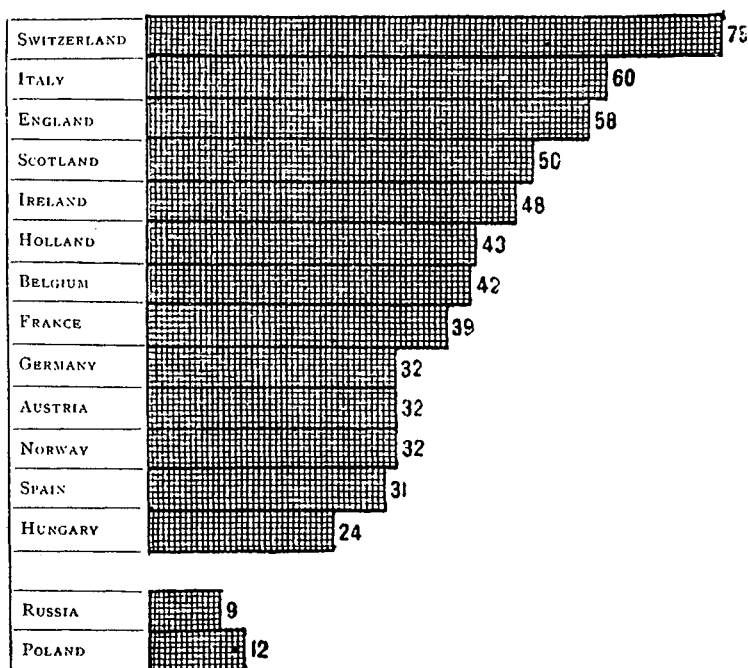
*Numbers Receiving Special Training per 100,000 of the Population.*



## 220 IS WAR NOW IMPOSSIBLE ?

in Russia we have constructed the following diagram showing the number of doctors in Russia and in other states :

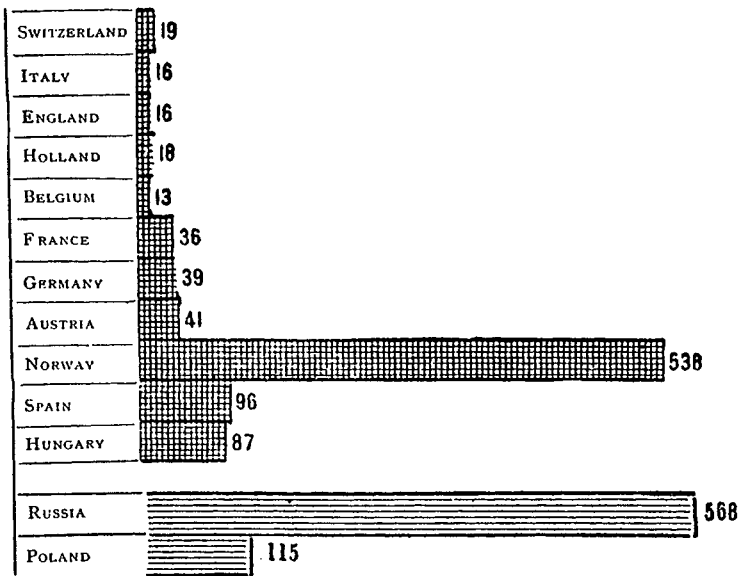
*Number of Doctors in European States per 100,000 Inhabitants*



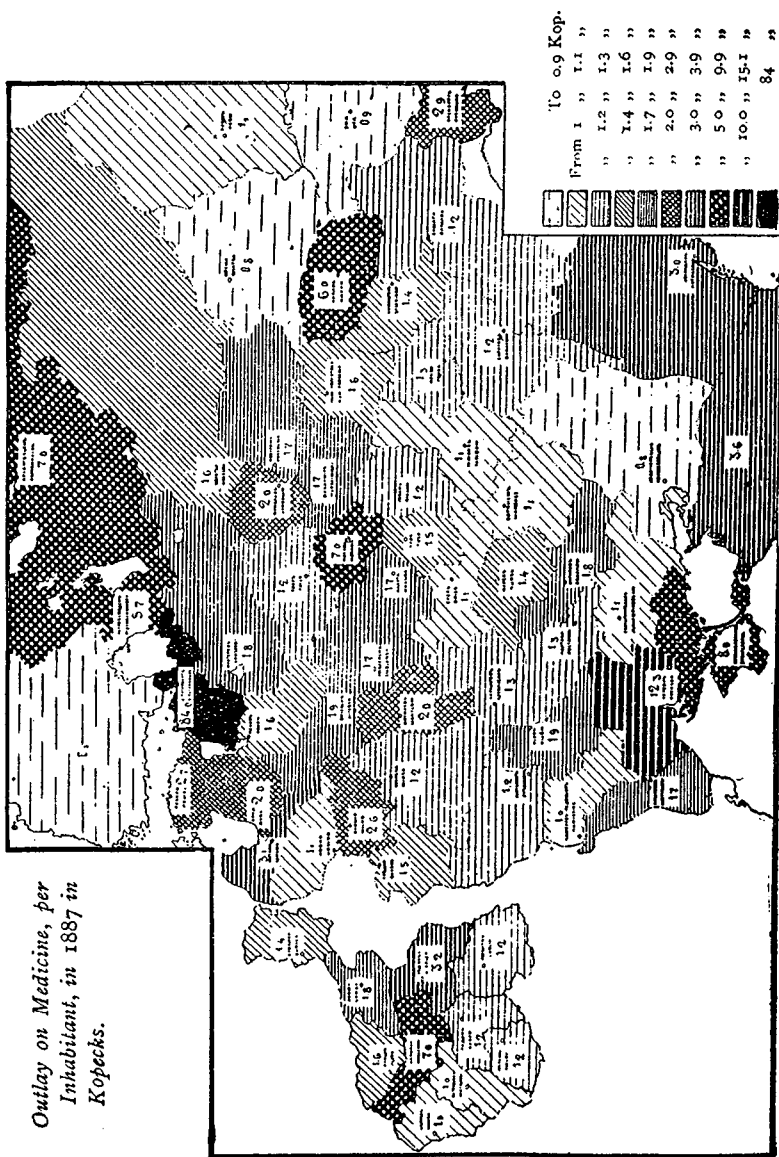
From the above diagram it will be seen that the number of doctors in Russia is quite insignificant, being from 3 to 8 times less in proportion than in other European states. In the first place stand the metropolitan governments ; in the government of St. Petersburg the number of doctors for every million of the population is 557, and in the Moscow government 420. The minimum is found in the

government of Vologda, with 37 to the million, in Ufa with 35, in Orenburg with 31 and in Vyatka with 30. Still more striking are the facts illustrated by the following diagram :

*Number of Quadratic Kilometres for every Doctor.*



Thus considered in relation to area we find in Russia 44 less number of doctors than in Belgium, 35 less than in Italy and in England, 16 times less than in France, and 14 times less than in Germany and Austria. Norway alone approaches Russia in this respect. Statistics as to the outlay on medicine are also interesting, as showing the immense disproportion of means of relief attainable in various parts of the Empire. The chart on the next page illustrates this subject :



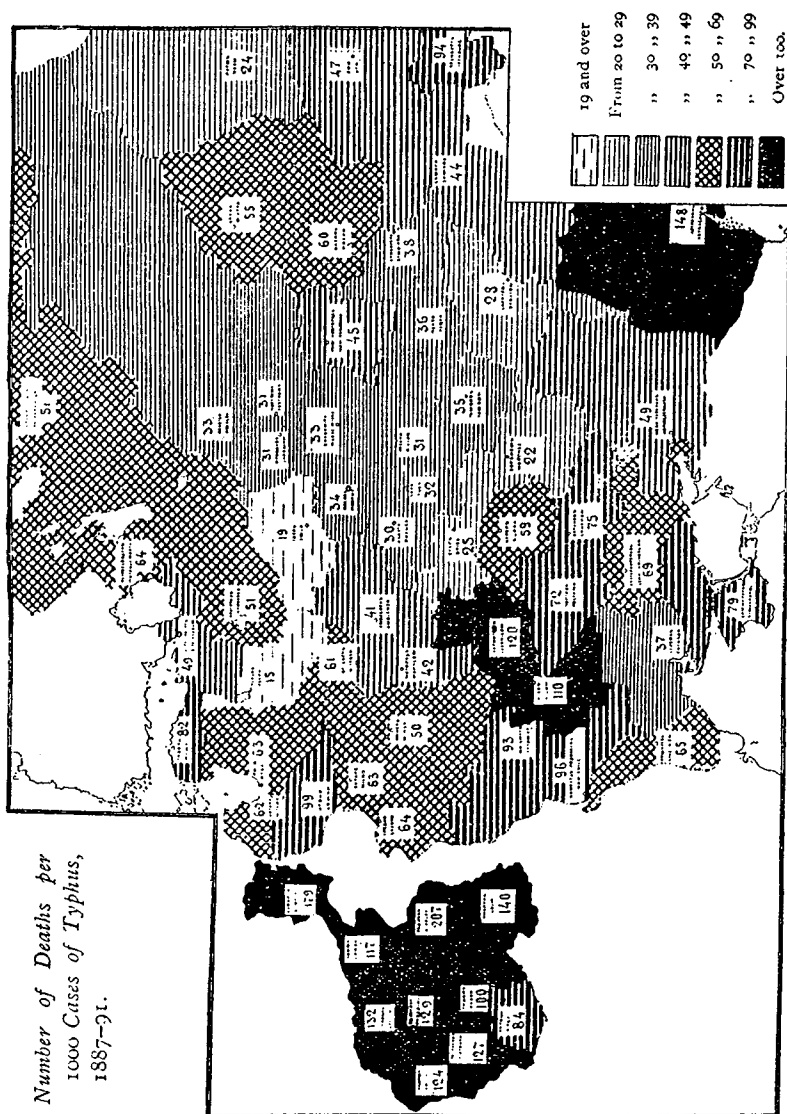
*Sickness.*—As a natural consequence of poverty, ignorance, and the absence of medical aid, we find a correspondingly unsatisfactory state in the health of the population. In the number of serious illnesses typhus takes the first place. Although in recent times it is acknowledged that typhus is caused by a peculiar infectious micro-organism, still the proportion of cases of sickness to cases of death must be acknowledged as a symptom of more or less culture. In this respect Russia also finds herself in an unfavourable condition. From the statistics for the period 1887–91 (see next page) it is shown that the number of cases of typhus fluctuated in various governments from 57 per 100,000 in the Astrahkan government to 914 per 100,000 in the government of Tula, and that the proportionate mortality from this illness was immense in certain places, amounting to as much as 21 per cent. in the government of Siedlicz.

In other respects, as regards health, it will be found that Russia is in an equally unfavourable condition. And if unfavourable material conditions increase the liability to sickness and death of a population, these same conditions similarly react on its moral condition. It is obvious that where the general level of material prosperity is high there will appear less tendency to crime, greater softness of manners, and a stronger tendency towards education. It is interesting therefore to consider some phenomena illustrating the moral condition of the country.

*Illegitimacy.*—Although it must be admitted that certain of the causes increasing the figures of illegitimacy must be sought outside the domain of ethics, nevertheless statistics on this subject may be considered as proving much as to the moral condition of a people. In relation to illegitimacy Russia finds herself in a favourable position, the percentage of illegitimate births being less than in any other European state, as is shown by the diagram on page 225.

This circumstance is explained by the comparative earliness of marriage among the peasantry. The percentage of married soldiers accepted for military service in the period

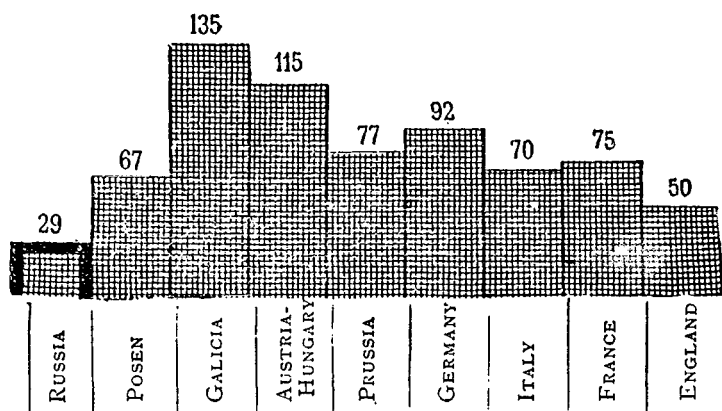
*Number of Deaths per  
1000 Cases of Typhus,  
1887-91.*



1874-83 reached in four governments over per cent., and in the greater part of Russia was between 30 per cent. and 60 per cent., though in the Northern and North-Western provinces it fluctuates between 2 per cent. and 18 per cent.

*Suicide.*—Professor Oettingen in his work on "Moral-statistik," declares that suicide "is the consequence of

*Number of Illegitimates in 1000 Births.*



that despair which results from social evils and from immoral social relations." The new school of Italian physiologists and psycho-criminologists, at the head of which stand Lombroso and Morselli, on the other hand, find the cause of suicide in the struggle for existence. Professor Gvozdeff, at the beginning of his remarkable work on suicide, sets down the following words: "In proportion as the requirements from life increase increases also the number of suicides." Thus suicide is one of the gravest questions of the nineteenth century, and statistics as to its prevalence may serve as an indication of the condition of a people.

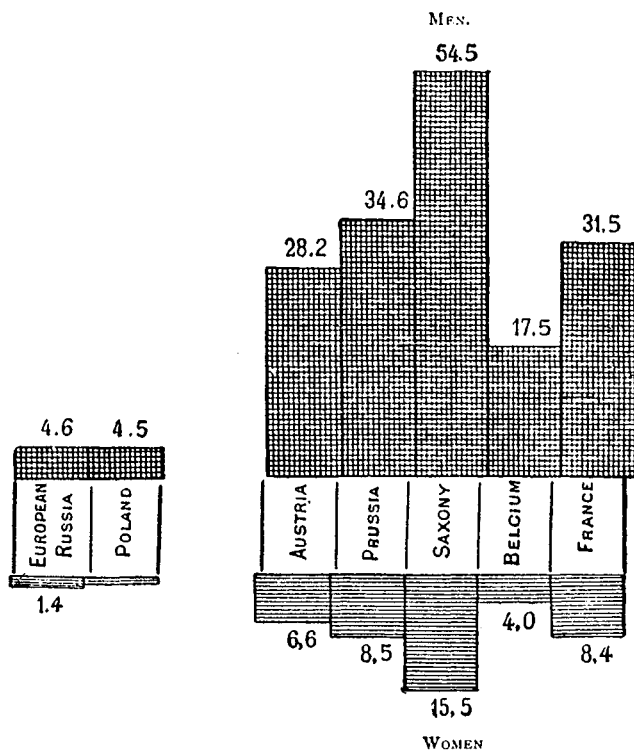
From general statistics we find that the increase of



## 226 IS WAR NOW IMPOSSIBLE?

drunkenness corresponds to the increase in the number of suicides. Mulhall finds that approximately 15 per cent. of suicides in Europe result from drunkenness. From 20 per cent. to 30 per cent. of suicides are caused by dis-

*Number of Suicides per 100,000 Inhabitants.*



satisfaction with material conditions ; from which we must conclude that unfavourable economic conditions are an important factor in determining the number of suicides. The proportion of suicides in Russia is much smaller than in other states, as may be seen from the above diagram, showing the number of suicides among men and women in Europe.

It is impossible not to notice the characteristic fact that the proportion of female to male suicides is greater in Russia than in other states, a fact which may be explained by the lamentable position of women in Russia.

*Drunkenness.*—It is well known that in Russia drunkenness is a widespread social evil, eating away the lives of whole generations, ruining the organisms not only of men but of women and even children. Without taking into consideration those dying directly from drunkenness, drink is the cause of serious illnesses, with all their unfortunate consequences. The victims of alcoholism, as those deprived of reason, lose all power of resisting their passions. Their actions are carried on under the influence of immediate animal impulses, in no way regulated by reason. The poisoning of the brain of alcoholics does not at once react upon the physical strength, but their conduct shows no trace of a rational will. In such form they become insane or criminal, and in any case dangerous members of society both in the present and in the future. In Germany, Herr Baer, chief physician of the Plötzensee Central Prison, showed on the basis of statistics, the relations between drunkenness and crime. He found that out of 32,837 criminals confined in 120 German prisons, 13,706, or 42 per cent., were drunkards. Investigation as to the causes of insanity in England, France, Denmark, and in the United States showed that approximately 14 per cent. of cases were caused by drunkenness. In France insanity caused by the excessive employment of spirituous liquors grows continually. In 1836, 7 per cent. of cases of insanity were found to be caused by drunkenness. From the last available statistics we find that this percentage had increased to 21 per cent., or three times. In Holland in 1882, 12 per cent. of the cases of insanity were traced to excessive drinking. Similar figures are found for other European countries. In the United States the proportion of insanity caused by alcoholism amounts to 26 per cent.

In Russia the use of alcohol per unit of the population is less than in other countries. But this depends upon

the irregular use of vodka, and in no way affects the fact that in that country drunkenness is very common. Rarely does the peasant or workman in Russia consume alcohol in small innocuous quantities. Usually Russians either do not drink at all or drink to stupefaction, and often to unconsciousness. In addition to this, in the opinion of many investigators, the use of alcohol in Russia is especially injurious in consequence of climatic conditions.

Nevertheless, the opinion which attributes the eagerness of the peasantry for spirituous liquors to an immoral impulse is narrow and unfounded. That eagerness is the consequence of many elements—the lamentable conditions of life, the absence of recreation, and the very nature of the food of the people, consisting as it does almost exclusively of vegetable substances. It is a well-known fact that the whole aboriginal vegetarian populations of islands discovered by Europeans were exterminated by the rapid spread of drunkenness.

But whatever its causes may be, drink is undoubtedly one of the causes of crime and of impotence in the improvement of social conditions. In general it may be said that as long as the causes of drunkenness are not removed, no restrictive or punitive measures will be effective in out-rooting the evil. Measures for raising the economic level of the people and the wide development of popular education are necessary first.

The consumption of spirituous liquors in Russia in comparison with other countries is shown in the diagram on the opposite page.

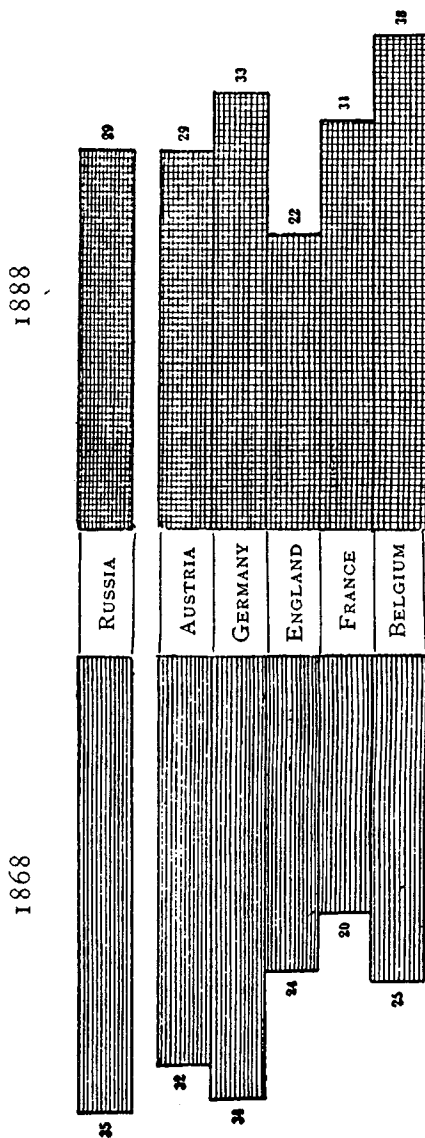
The number of sacrifices to drink is shown in the diagram on page 230.

*Crime.*—The criminal statistics of every country may be taken as a factor in determining the level of material and moral well-being of its population. A comparison of the criminal statistics of Russia with those of other countries is made extremely difficult owing to the irregular classification of offences, and the irregular jurisdiction of the lower courts. In consequence of this the statistics found in the Abstracts published by the Ministry of Justice have

# IN RUSSIA

229

*Consumption of Spirits in Vedra\* by 100 Inhabitants in 1868 and 1888.*

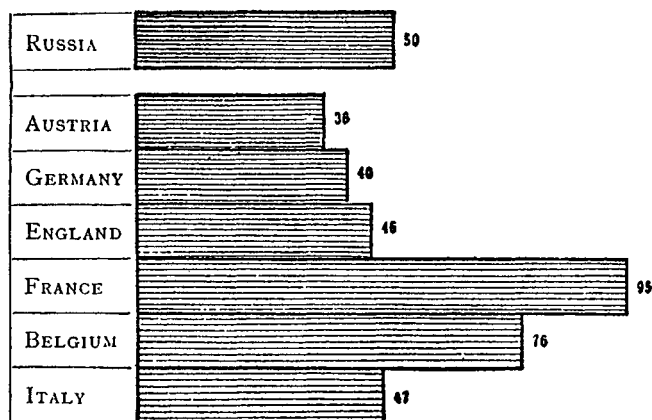


\* The Vedra = 2.70 gallons.

## 230 IS WAR NOW IMPOSSIBLE ?

little value as a basis for comparison, and indeed comparison of these statistics with those of Western European countries gives results far too optimistic and quite untrustworthy, as a great part of the offences of the greater part of the population, which fall under the jurisdiction of the Volost courts, are omitted. An arithmetical comparison even of serious crimes cannot be safely made ; for the

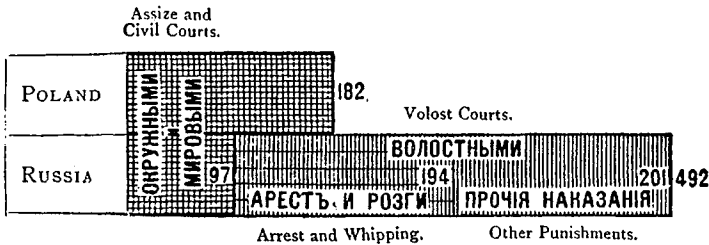
*Number of Deaths from Drunkenness in 1,000,000 of the Population.*



Volost courts, through ignorance of the law and incapacity to distinguish in a single case different forms of law-breaking, very often determine criminal cases which by law are outside their competence.

Information collected in three governments, Podolsk, Moghilef, and Voluinsk, has served as a basis for estimating the total number of persons convicted by the Volost courts. Adding the number of such convictions to the figures in the ordinary criminal statistics we have constructed the following diagram, showing the proportions of crime in Russia and Poland :

*Average Number of Convictions in 200,000 of the Population  
(100,000 men and 100,000 women) in 1878-1885.*

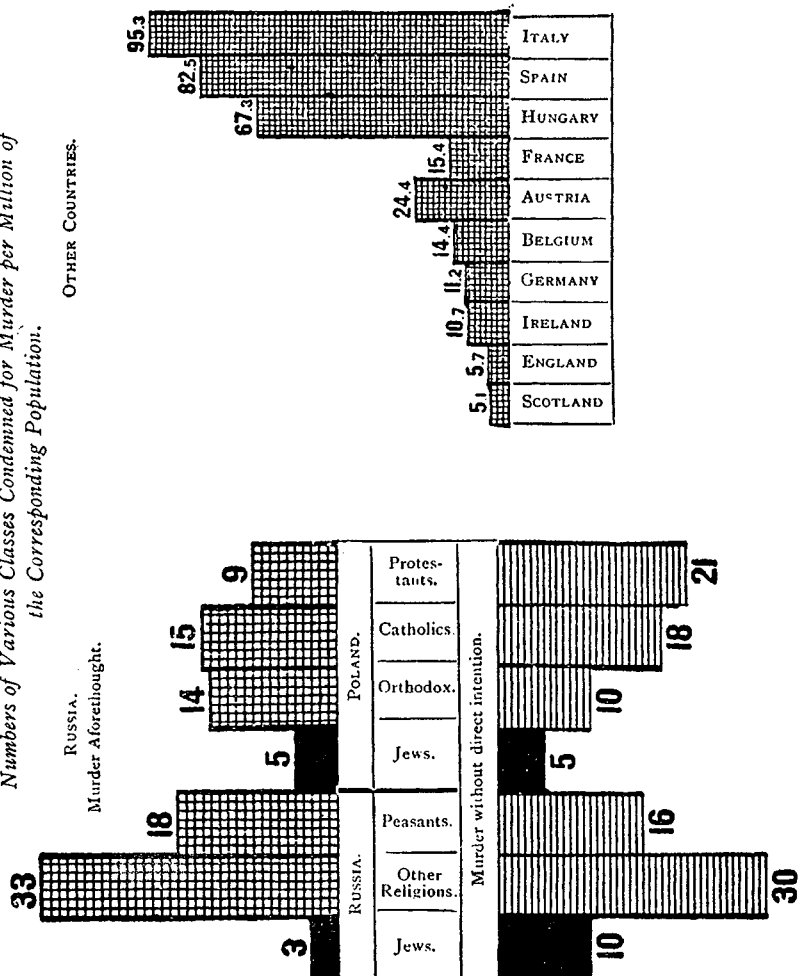


The attempt to draw a comparison between the amount of crime in Russia and in foreign countries is made extremely difficult by the differences in criminal codes. To add to this difficulty the criminal statistics in some countries relate to the number of accused, in some others to the number of crimes, and in others only to the number of convicted. But even an approximate comparison cannot be without value. The most useful information would be given by the distribution of convicts according to religious faiths, but unfortunately through the lack of statistics as to the religious profession of the peasants of the Empire, such a classification was impossible. We have therefore been compelled to divide the convicts in the Empire into three groups—peasants, Jews, and others. (See diagrams on pages 232, 233, 234, 235.)

It is not without interest to consider the number of those convicted according to sex. The table at top of page 236 gives the percentage relations of the sexes in the number of convicts.

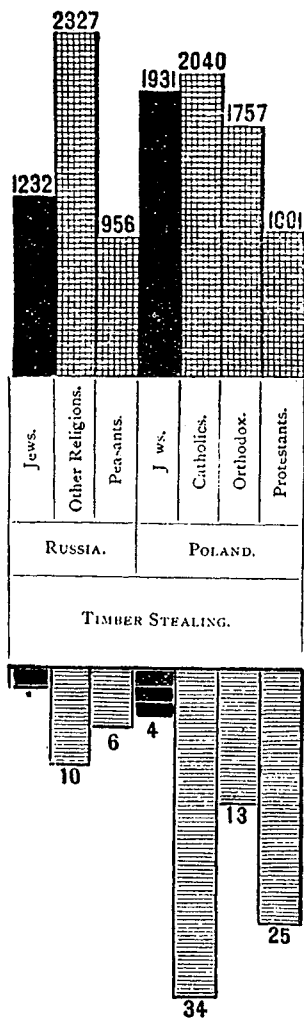
To complete this picture it is only necessary to show the increase or diminution of crime in Russia in comparison with that of other states. In this case, irregular registration does not play so serious a part, as we are not dealing with the quantity of crime, but with its increase and diminution in a certain period. For Russia we take the periods 1878-82 and 1888-89. After examining the

*Numbers of Various Classes Condemned for Murder per Million of the Corresponding Population.*



Numbers Condemned for Theft per Million of the Corresponding Population.

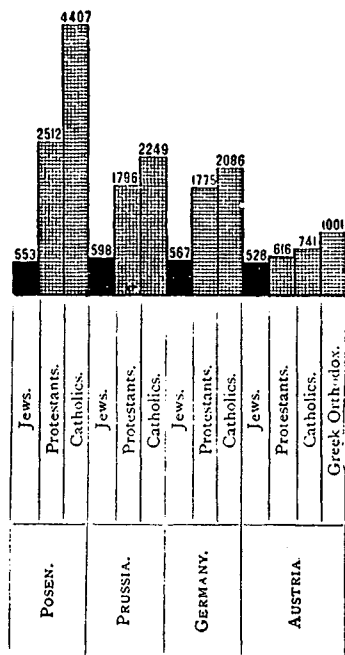
RUSSIA.



IN RUSSIA

233

AUSTRIA AND GERMANY.

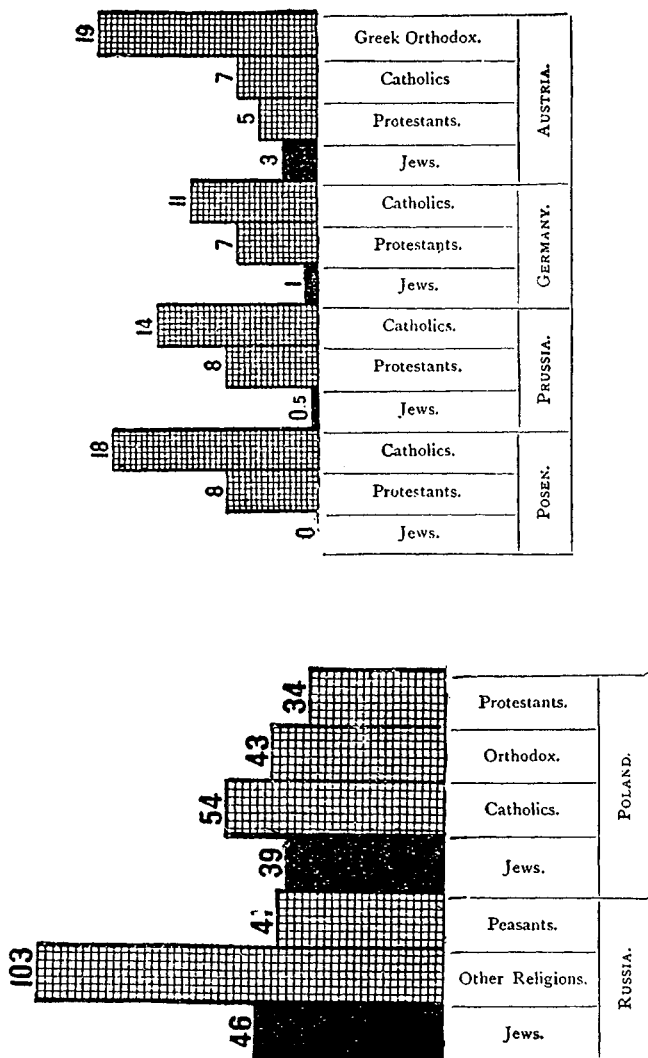




*Numbers Convicted of Highway Robbery and other forms of Robbery with Violence per Million of the Corresponding Population.*

RUSSIA.

AUSTRIA AND GERMANY.

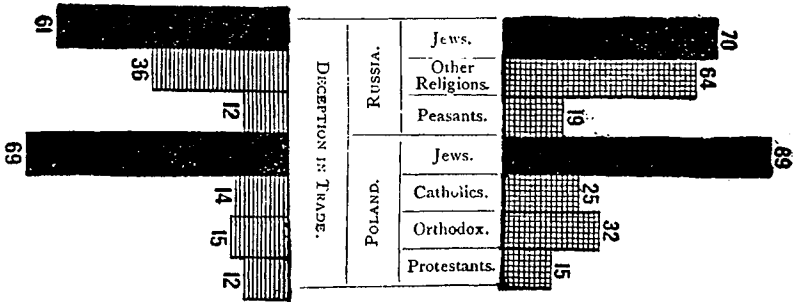


# IN RUSSIA

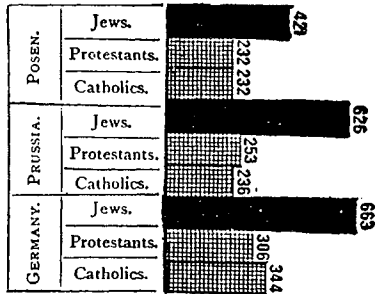
235

*Numbers Condemned for Swindling per Million of the  
Corresponding Population.*

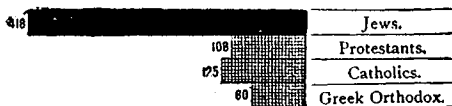
## RUSSIA. SWINDLING.



## PRUSSIA AND GERMANY. DIFFERENT FORMS OF SWINDLING.

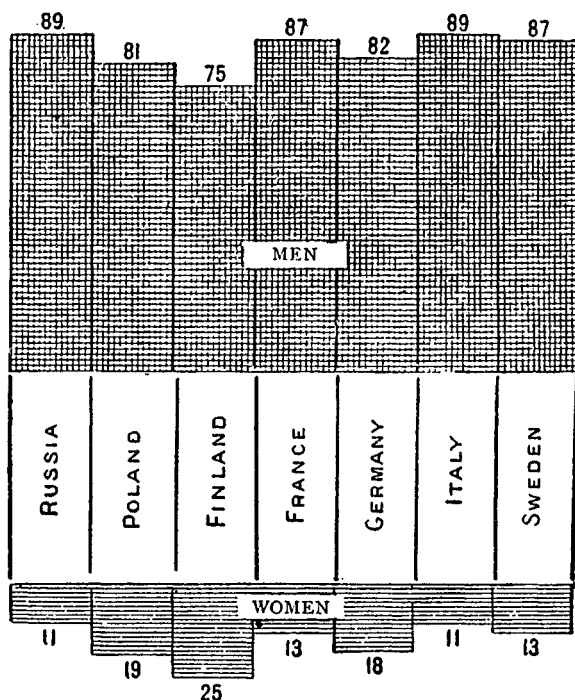


## AUSTRIA.



# 236 IS WAR NOW IMPOSSIBLE ?

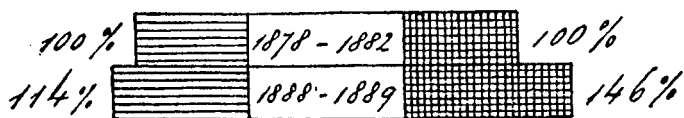
*Percentage Relations of Men and Women Convicted.*



*Percentage Increase in the Fifteen Chief Forms of Crime.*

THE EMPIRE.

POLAND.



statistics of fifteen of the chief forms of crime we find an increase in crime in the second period in Russia of 14 per cent., and in Poland of 46 per cent. The diagram at the bottom of the preceding page presents these relations more effectively.

For comparison with foreign states we will take Great Britain, France, Austria, and Germany. In this respect Great Britain is in the most favourable position of all, as the following diagrams show :

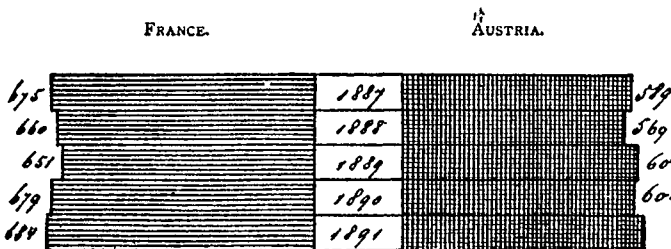
*Number of Convictions in Great Britain per 100,000 Inhabitants.*



Thus we find that since the year 1860 the number of convicted persons in Great Britain has fallen by 109 per cent.

Among countries where the increase of crime has been inconsiderable may be named France and Austria :

*Number of Convictions in Thousands.*



## 238 IS WAR NOW IMPOSSIBLE?

In Germany, on the other hand, we find the same phenomenon as in Russia.

*Number of Convictions in Germany per 100,000 Inhabitants.*

1883—1887.	106
1887—1892.	110
1893.	121
1894.	124
1895.	125

It is interesting in the case of Russia to see the distribution of crime among the population in its relation to education.

	Empire. Per Cent.		Poland. Per Cent.
Higher education	1.2	...	.08
Educated . . .	25.3	...	13.4
Illiterate . . .	73.5	...	85.8

The chart on the opposite page shows the outlay on justice of all kinds and on prisons in 1887 per inhabitant.

To fill in this brief outline of the moral condition of Russia we will cite some statistics relating to recidivism, pointing out, however, that these statistics are not quite complete. Nevertheless they may give a very fair idea of the amount of social evil caused by reversion to crime :

—	Number of Recidivists.		Percentage Growth of Recidivists.
	1878.	1889.	
Empire . . . .	10,168	18,993	180
Kingdom of Poland	1,543	3,545	233



Those who understand the gravity of criminal recidivism for the state will be able to judge of the significance of these figures in arriving at an estimate of the moral condition of the people.

#### VI.—ELEMENTS FOR THE RENEWAL OF THE ARMY.

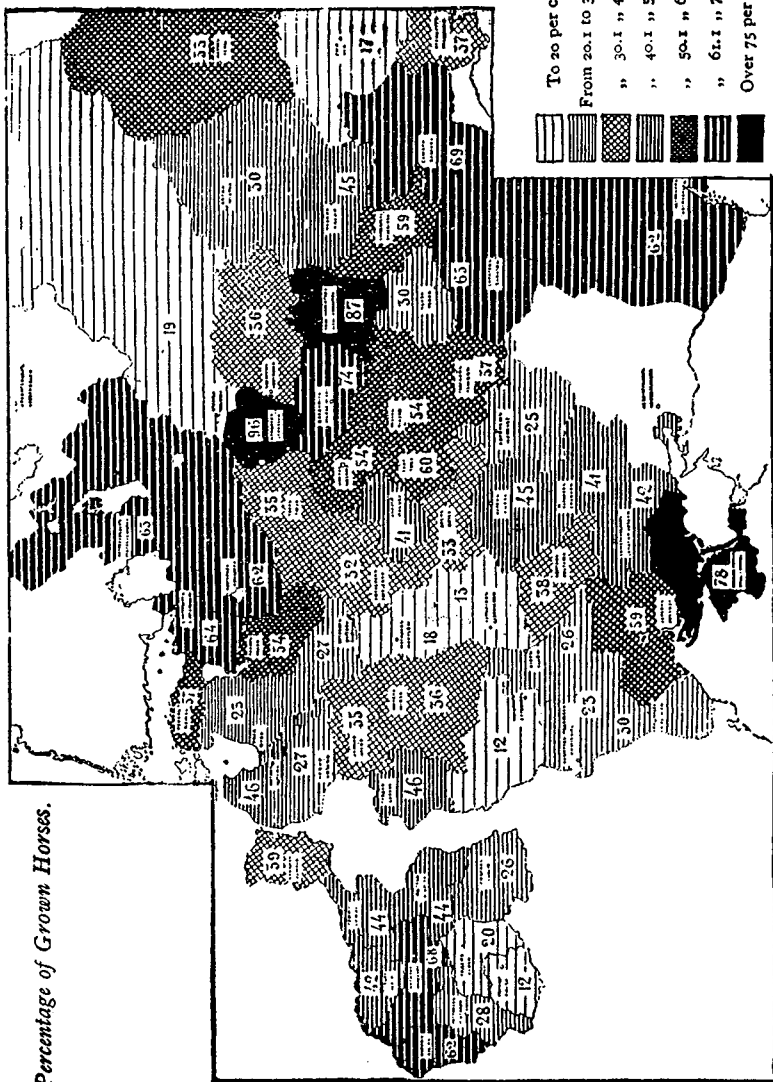
The greater the probability of a prolonged European war, the more serious becomes the question of means and methods for the reinforcing of armies. The general conclusion, formed from an examination of Russia's resources, was that Russia, having an almost inexhaustible reserve of men and horses, might sustain a prolonged war incomparably better than the other states of Europe. But in this consideration we took into account only the average statistics for the whole of Russia. The question is made more complex by the fact that, in view of the immensity of Russia, the conditions for the renewal of armed forces in various districts must be very different, while in the event of a defensive war a certain portion of Russia's territory might be occupied by an enemy. In addition, with interrupted communications, all material for renewing armed forces must be obtained within the country itself. The question therefore naturally arises : Are they sufficient ?

It is evident that no deficiency can arise in men. Means of provisioning are also so abundant as to constitute in the very beginning of war a great advantage for Russia. In an earlier part of our work we have given figures to show the advantage which Russia also possesses in the matter of horses. The percentage of these which might be used in war is more important in the present connection. To form some idea of this, the chart on the next page, showing the percentage and distribution of grown horses over the country, will be useful.

Since 1864 an immense increase has taken place in the number of horses in the country, an inconsiderable decrease showing itself only in ten provinces, while all over the rest of the country a large increase took place, in certain provinces amounting to nearly 300 per cent.

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To 20 per cent.  
From 20.1 to 30 p. c.  
" 30.1 " 40 "  
" 40.1 " 50 "  
" 50.1 " 60 "  
" 61.1 " 75 "  
Over 75 per cent.





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It may be said, therefore, that no Western state will find itself in so good a position as relates to the supply of horses; and that however great may be the area occupied by an enemy's forces, deficiency in horses fit for military purposes cannot arise.

As relates to the supply of arms it may be assumed that no difficulty will arise in obtaining workers, owing to the stagnation caused in other industries. The working and application of iron has grown so rapidly that no difficulty can arise in this respect. In 1890 the pig-iron worked amounted to  $55\frac{1}{2}$  million poods (892,000 tons), manufactured iron to  $25\frac{2}{3}$  million poods (412,500 tons), while in 1895 the working of pig-iron amounted to 87 million poods (1,400,000 tons) (an increase of 57.5 per cent.), and manufactured iron to 27 million poods (434,000 tons) (an increase of 5 per cent.).

On the chart given on the next page is shown the distribution of the production of iron and steel. From this it may be seen that the chief resources of this material are situated in the East, and far away from those districts which might be occupied by an enemy's forces.

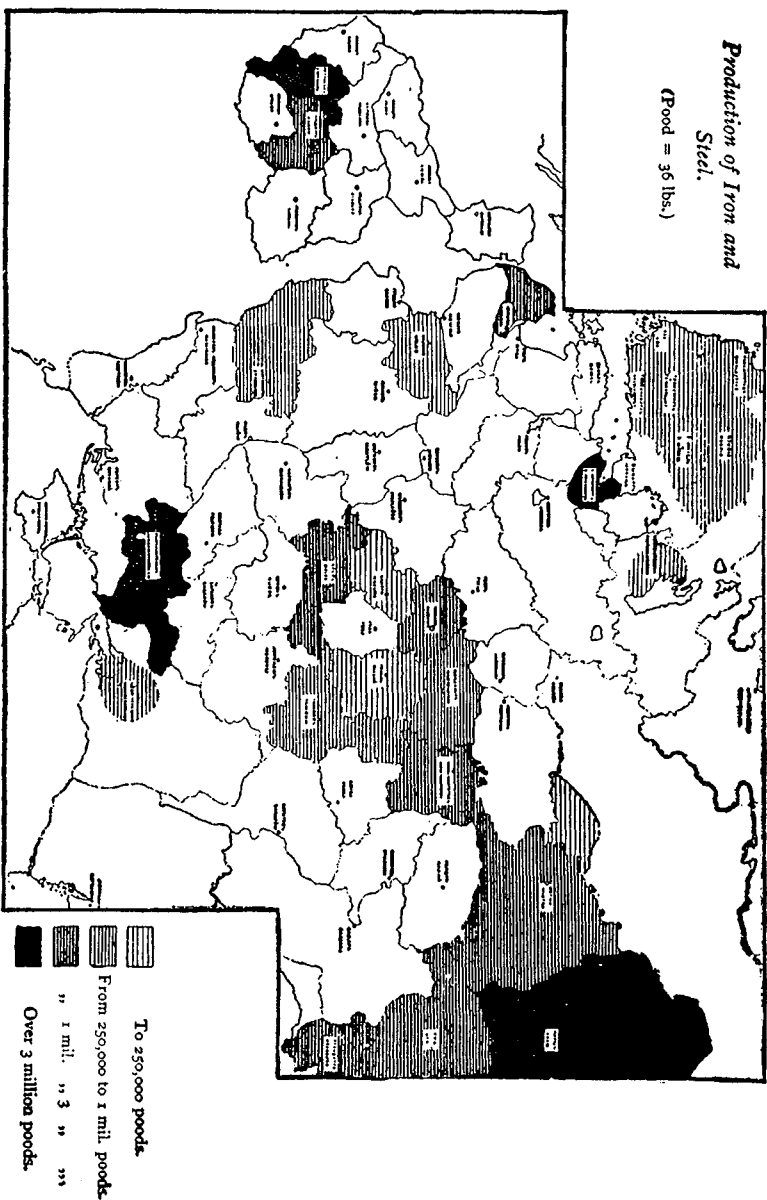
### VII.—CONCLUSIONS.

From the above statistics the conclusion naturally springs that, while the interruption of communication will threaten with famine and social perturbations the states of Western Europe, the danger to Russia is less, although still very serious, meaning, as it would, decrease in the incomes of the population and the most lamentable results for trade and industry.

The incommensurate widening of the area of production at the expense of the area of nourishment, the replacing of horned cattle by horses, and the decrease of stock-raising generally, are factors against which must be placed the systematic efforts at improvement. Otherwise, in view of the yearly export of the products of the land and of the rapid growth of the population, Russia would go farther and farther on the path to the exhaustion of her natural

# *Production of Iron and Steel.*

(Poond = 36 lbs.)



resources and the multiplication of an agricultural proletariat.

And thus Russia, although so far as the products of agriculture are concerned she is in a position to carry on a serious and prolonged struggle—such a struggle as could not even be dreamt of by the states of Western Europe—nevertheless is as interested as are those countries in the preservation of peace.

In comparison with the income derived from agriculture the total of the income received from industries is insignificant. But in the event of a great war even this income must diminish to a considerable extent. In such industries as directly or indirectly relate to the supply and armament of the army there will, of course, be no stagnation. But the interruption of the supply of trans-oceanic cotton and various other materials, and difficulties in the supply of coal, will shorten the output of many articles. It is true that Russian industry, relying upon an internal sale, will not lose its market in consequence of interrupted communications, as English, German, and French industry will. But in time of war the demand on the internal market would undoubtedly fall, proportionately with the fall in incomes derived from agriculture and the general disruption in agricultural life. Russian industry relies mainly on the demands of the peasantry. Thus, even in times of peace every serious failure of crops causes stagnation. It is obvious that the diminution in the resources of the peasantry caused by war would react on industry and shorten production considerably. As a result of this, workers who live in poverty and absolutely without provision for the future will find themselves in a position no less terrible than that of the workers of Western Europe.

Only traders, in consequence of their comparative fewness, and usurers who take advantage of the backwardness of the agricultural population of Russia, will find that war creates favourable conditions, opening a wider path for exploitation of the popular needs.

All this leads to the conclusion that, in consequence of a

generally unsettled agriculture, of the primitive and already insufficient systems of working land, of absence of savings, and of indebtedness both of proprietors and of peasants, the economic perturbations caused by war might assume immense gravity. We have pointed out some of the conditions which in Western Europe would make a prolonged war impossible. But there immense capital representing the savings of the people, high development of technique, force of social activity, and at the same time of private enterprise, would tend towards quicker healing of the wounds caused by war in the popular organism. That this might be is shown by the history of France since the war of 1870-71. We may suppose that a future war would result even more disastrously, but it is unquestionable that a strong economic organism might rapidly recover. It is for this reason that Western states have less to fear from the economic consequences which might arise from war than from the growth of socialism and the possibility of revolution.

It is not so in Russia. The weaker the economic activity is, the less are its dangers from war. Where accumulated riches are small and economic life simple, the direct losses will not be so acutely felt. But for a country mainly agricultural, in which both peasants and proprietors can hardly make both ends meet even in times of peace; a country burdened with indebtedness and in consequence cursed with forced labour; a country where the finances have only lately been reduced to order, and would again be disorganised by a great issue of paper money—for such a country the consequences of war would be especially disastrous, and would result in an economic crisis and a loss of productive forces from which it would need a long time to recover. And thus, although Russia is not threatened with those revolutions which might be feared in Western Europe after a great war, yet the consequences for her of such a war would be in the highest degree serious.

The necessity for Russia not to fall below the other states in expenditure on armaments entails on her a heavier

burden than France and Germany and even Austria have to bear. In those countries the war budget, however immense it may be, constitutes only a small part of the expenditure of the state, of the municipalities, of private associations and of village communities, on productive works, on improvements in agriculture and in sanitation, on the development of communications, trade and industry, and finally (although this is by no means the least important item) on the spread of education. In Russia, the expenditure on land and sea forces constitutes a third of the whole budget; and, if we deduct the sums devoted to interest on the Imperial debt, we find that all expenditures which might in any way be productive taken together are less than the expenditure on armaments alone.

In view of all these circumstances it is impossible not to conclude that a great European war would move Russia still further back in economic relations, it may be, even for a prolonged time. And, bearing this in mind, it may well be asked whether even the most successful war could result in sufficient compensation for such sacrifices.

True, facts and figures demonstrate that, thanks to her immensity and to the nature of her soil and climate, Russia is less vulnerable than other countries. There can be no doubt that with her vast population, her abundant production of food and horses, and with industries guaranteeing the equipment of her army, Russia might carry on a defensive war for a long time. Even financial conditions would not operate disadvantageously at first, for Russia has for a long time been accustomed to the circulation of paper money. All these are plainly advantages for Russia in a defensive war against countries enjoying a higher degree of culture, possessed of great industries and trade, but which, through deficient production of corn for the feeding of their populations, could not carry on war for years, as would certainly be possible for Russia.

But in an offensive war these factors, which constitute an advantage for Russia in defence, would be turned into disadvantages.

From detailed investigation of the economic condition of different districts of Russia, we came to the conclusion that however sensibly she were to feel the occupation by an enemy of her frontier provinces, such occupation could not produce any decided result. The opposition of Russia could not be broken at once, even by the irruption of innumerable forces. In the extreme case of the Russian armies experiencing such defeats as to expose the capitals, the vastness of the country and the immensity of its population would supply the means for continuing the struggle. The fragments of her defeated forces, retreating to distant centres of population, would form the nuclei of new armies, and the struggle would burst out again with fresh fierceness—and that in the very moment when the weakened and exhausted invaders were compelled to retreat.

But it must not be assumed from this that victory, by means of pursuing the invaders and carrying the war into their own country, would be an easy task. Pursuit would have to be carried on through the ruined districts of Russia into the exhausted territory of the enemy; while for the successful carrying on of an offensive war new armaments, war material generally, would be required, and, above all, armies would have to be supplied exclusively from purchased provisions.

To this would have to be added financial difficulties almost impossible to be overcome, for the economic perturbations produced by war would be of such gravity as to prevent the further straining of the national resources.

Russia has now within the country, in circulation and on deposit, Government securities to a sum of two and a half milliard roubles (£375,000,000), and other securities to a sum of 1200 million roubles (£180,000,000). On the declaration of war the depreciation of these securities would entail a loss of 1100 millions of roubles (£165,000,000). It is obvious that the issue of new Government loans to provide for the immediate necessities of war would be impossible. From this would inevitably result the issue of paper money in immense quantities.

The history of past wars of Russia can give no idea of

the economic perturbations which would be caused by war to-day, in view of the vastness of the army and the complexity and costliness of all military apparatus. The occupation by an enemy of the Western and Southern provinces, now in the most satisfactory economic condition, and the interruption of internal communications, would have a tremendous effect on the receipt of the ordinary Imperial revenues. Even the war of 1812 cannot be compared with the irruption into Russia of armies counted by millions, while the need for money in the present composition of the army would be unprecedented. It is enough to repeat that for the satisfaction of military requirements in a state of war, under present conditions, Russia would be compelled to spend daily about seven millions of roubles (£1,050,000).

As we have pointed out (in the section devoted to "Plans of Military Activity"), it is almost impossible to admit that a war with Russia could be decided in less than two years. For such a war lasting two years five milliards would be required (£750,000,000). The late N. K. Bunge, as we have already mentioned, declared that if credit notes were issued for 300 million roubles (£45,000,000) their value would fall 25 kopecks the rouble (that is, one-fourth). With the issue of paper money in a quantity seventeen times greater it is quite impossible to see the extent of depreciation. It is very probable, however, that depreciation would reach the same level as at the beginning of the present century—that is, that paper money issued for the carrying on of war would be depreciated by three-fourths of its nominal value. Under such circumstances even the estimated five milliards might prove insufficient.

The prices of all things would rise, and the Treasury, receiving taxes in depreciated credit notes, would pay a higher price for everything; the maintenance of the army and of the fleet would require immense outlays. A considerable part of the population of towns and all serving in the army and in the civil service would suffer from extreme privation.

At the moment of the declaration of war the whole export of agricultural products will cease. A sudden fall of prices will ensue, with a proportionate diminution in the incomes both of landowners and of peasants. These phenomena will be accompanied by fluctuations in prices, for the standard of prices has always been determined by export, which will cease. When the only regulator of prices will be internal competition those districts will be in the best position where competition in trade is most highly developed, as is the case in the Metropolitan, Northern, Southern and South-Western provinces and also in the Southern provinces, and in the worst position those where trade is to a great extent a monopoly.

In addition to the economic shock, recovery from which will take years, many material and moral factors which we have examined in detail, which have little visible effect in times of peace, will in the revolution which war causes have grave significance.

All of which leads to the conclusion that war for Russia, whatever might be its issue, could not be less ruinous, although from other causes, than for her enemies.

But this conclusion is not enough. A consideration from all points of view of the influences which war might exert on the economic condition of the country, leads to a conviction not less important—that is, that a decrease of expenditure on preparations for war is no less, and it may be even more, unavoidable in Russia than in other European states.

The conversion to productive purposes of a part of the outlay now fruitlessly devoted to armaments—since there is not even a probability of war breaking out—is the first interest of the people, and is essential for the development of the vital forces of the country. These forces are needed by Russia for the carrying on of a successful struggle, not on the field of battle, but with her economic backwardness and the poverty and ignorance of her people. Progress in her internal life, and the development of productive forces are far more necessary for Russia, which, even in the case of war, would, in all



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probability, at first have to content herself with defensive operations, than the increase of armed hordes and the accumulation of implements and munitions of destruction.

But if, even in times of peace, we find all possible preparations made, so that the country in time of war shall in no respect be behind its enemies, how much more necessary is it to prepare to meet those perturbations and difficulties of every kind which will be caused by war in the economic position of the country.